

REFERENCE TITLE: school funding; English learners; Flores

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HB 2473

Introduced by
Representative Lujan

AN ACT

AMENDING SECTIONS 15-185, 15-241 AND 15-393, ARIZONA REVISED STATUTES; REPEALING SECTIONS 15-756, 15-756.01, 15-756.02, 15-756.03, 15-756.04, 15-756.05, 15-756.06, 15-756.07, 15-756.08, 15-756.09, 15-756.10, 15-756.11, 15-756.12 AND 15-756.13, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 7, ARTICLE 3.1, ARIZONA REVISED STATUTES, BY ADDING NEW SECTIONS 15-756, 15-756.01 AND 15-756.02; AMENDING SECTIONS 15-902, 15-904, 15-905, 15-906 AND 15-943, ARIZONA REVISED STATUTES; AMENDING SECTION 15-943, ARIZONA REVISED STATUTES, AS AMENDED BY THIS ACT; AMENDING SECTION 15-962.01, ARIZONA REVISED STATUTES; CHANGING THE ARTICLE HEADING OF TITLE 15, CHAPTER 9, ARTICLE 4, ARIZONA REVISED STATUTES, TO "CAPITAL OUTLAY, CAPITAL LEVY AND ENGLISH LANGUAGE ACQUISITION"; AMENDING TITLE 15, CHAPTER 9, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-966; AMENDING SECTIONS 15-971, 15-974, 15-996 AND 41-1279.03, ARIZONA REVISED STATUTES; MAKING APPROPRIATIONS; RELATING TO ENGLISH LANGUAGE ACQUISITION PROGRAMS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-185, Arizona Revised Statutes, is amended to
3 read:

4 15-185. Charter schools; financing; civil penalty; definitions

5 A. Financial provisions for a charter school that is sponsored by a
6 school district governing board are as follows:

7 1. The charter school shall be included in the district's budget and
8 financial assistance calculations pursuant to paragraph 3 of this subsection
9 and chapter 9 of this title, except for chapter 9, article 4 of this title.
10 The charter of the charter school shall include a description of the methods
11 of funding the charter school by the school district. The school district
12 shall send a copy of the charter and application, including a description of
13 how the school district plans to fund the school, to the state board of
14 education before the start of the first fiscal year of operation of the
15 charter school. The charter or application shall include an estimate of the
16 student count for the charter school for its first fiscal year of operation.
17 This estimate shall be computed pursuant to the requirements of paragraph 3
18 of this subsection.

19 2. A school district is not financially responsible for any charter
20 school that is sponsored by the state board of education or the state board
21 for charter schools.

22 3. A school district that sponsors a charter school may:

23 (a) Increase its student count as provided in subsection B, paragraph
24 2 of this section during the first year of the charter school's operation to
25 include those charter school pupils who were not previously enrolled in the
26 school district. A charter school sponsored by a school district governing
27 board is eligible for the assistance prescribed in subsection B, paragraph 4
28 of this section. The soft capital allocation as provided in section 15-962
29 AND THE ENGLISH LANGUAGE ACQUISITION PROGRAM ALLOCATION AS PROVIDED IN
30 SECTION 15-966 for the school district sponsoring the charter school shall be
31 increased by the amount of the additional assistance. The school district
32 shall include the full amount of the additional assistance in the funding
33 provided to the charter school.

34 (b) Compute separate weighted student counts pursuant to section
35 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter
36 school pupils in order to maintain eligibility for small school district
37 support level weights authorized in section 15-943, paragraph 1 for its
38 noncharter school pupils only. The portion of a district's student count
39 that is attributable to charter school pupils is not eligible for small
40 school district support level weights.

41 4. If a school district uses the provisions of paragraph 3 of this
42 subsection, the school district is not eligible to include those pupils in
43 its student count for the purposes of computing an increase in its revenue
44 control limit and district support level as provided in section 15-948.

1 5. A school district that sponsors a charter school is not eligible to
2 include the charter school pupils in its student count for the purpose of
3 computing an increase in its capital outlay revenue limit as provided in
4 section 15-961, subsection C, except that if the charter school was
5 previously a school in the district, the district may include in its student
6 count any charter school pupils who were enrolled in the school district in
7 the prior year.

8 6. A school district that sponsors a charter school is not eligible to
9 include the charter school pupils in its student count for the purpose of
10 computing the revenue control limit which is used to determine the maximum
11 budget increase as provided in chapter 4, article 4 of this title unless the
12 charter school is located within the boundaries of the school district.

13 7. A SCHOOL DISTRICT THAT SPONSORS A CHARTER SCHOOL IS ELIGIBLE TO
14 INCLUDE THE CHARTER SCHOOL PUPILS IN ITS STUDENT COUNT FOR THE PURPOSE OF
15 COMPUTING THE ENGLISH LANGUAGE ACQUISITION PROGRAM ALLOCATION PURSUANT TO
16 SECTION 15-966.

17 ~~7.~~ 8. If a school district converts one or more of its district
18 public schools to a charter school and receives assistance as prescribed in
19 subsection B, paragraph 4 of this section, and subsequently converts the
20 charter school back to a district public school, the school district shall
21 repay the state the total additional assistance received for the charter
22 school for all years that the charter school was in operation. The repayment
23 shall be in one lump sum and shall be reduced from the school district's
24 current year equalization assistance. The school district's general budget
25 limit shall be reduced by the same lump sum amount in the current year.

26 B. Financial provisions for a charter school that is sponsored by the
27 state board of education or the state board for charter schools are as
28 follows:

29 1. The charter school shall calculate a base support level as
30 prescribed in section 15-943, except that sections 15-941 and 15-942 do not
31 apply to these charter schools.

32 2. Notwithstanding paragraph 1 of this subsection, the student count
33 shall be determined initially using an estimated student count based on
34 actual registration of pupils before the beginning of the school year. After
35 the first one hundred days or two hundred days in session, as applicable, the
36 charter school shall revise the student count to be equal to the actual
37 average daily membership, as defined in section 15-901, or the adjusted
38 average daily membership, as prescribed in section 15-902, of the charter
39 school. Before the one hundredth day or two hundredth day in session, as
40 applicable, the state board of education or the state board for charter
41 schools may require a charter school to report periodically regarding pupil
42 enrollment and attendance and the department of education may revise its
43 computation of equalization assistance based on the report. A charter school
44 shall revise its student count, base support level and additional assistance
45 before May 15. A charter school that overestimated its student count shall

1 revise its budget before May 15. A charter school that underestimated its
2 student count may revise its budget before May 15.

3 3. A charter school may utilize section 15-855 for the purposes of
4 this section. The charter school and the department of education shall
5 prescribe procedures for determining average daily attendance and average
6 daily membership.

7 4. Equalization assistance for the charter school shall be determined
8 by adding the amount of the base support level, ~~and~~ additional assistance **AND**
9 **THE ENGLISH LANGUAGE ACQUISITION PROGRAM ALLOCATION PURSUANT TO SECTION**
10 **15-966**. The amount of the additional assistance is one thousand four hundred
11 forty-five dollars twenty-five cents per student count in kindergarten
12 programs and grades one through eight and one thousand six hundred
13 eighty-four dollars forty-one cents per student count in grades nine through
14 twelve.

15 5. The state board of education shall apportion state aid from the
16 appropriations made for such purposes to the state treasurer for disbursement
17 to the charter schools in each county in an amount as determined by this
18 paragraph. The apportionments shall be made in twelve equal installments of
19 the total amount to be apportioned during the fiscal year on the fifteenth
20 day of each month of the fiscal year.

21 6. Notwithstanding paragraph 5 of this subsection, if sufficient
22 appropriated monies are available after the first forty days in session of
23 the current year, a charter school may request additional state monies to
24 fund the increased state aid due to anticipated student growth through the
25 first one hundred days or two hundred days in session, as applicable, of the
26 current year as provided in section 15-948. In no event shall a charter
27 school have received more than three-fourths of its total apportionment
28 before April 15 of the fiscal year. Early payments pursuant to this
29 subsection must be approved by the state treasurer, the director of the
30 department of administration and the superintendent of public instruction.

31 7. The charter school shall not charge tuition, levy taxes or issue
32 bonds.

33 8. Not later than noon on the day preceding each apportionment date
34 established by paragraph 5 of this subsection, the superintendent of public
35 instruction shall furnish to the state treasurer an abstract of the
36 apportionment and shall certify the apportionment to the department of
37 administration, which shall draw its warrant in favor of the charter schools
38 for the amount apportioned.

39 C. If a pupil is enrolled in both a charter school and a public school
40 that is not a charter school, the sum of the daily membership, which includes
41 enrollment as prescribed in section 15-901, subsection A, paragraph 2,
42 subdivisions (a) and (b) and daily attendance as prescribed in section
43 15-901, subsection A, paragraph 6, for that pupil in the school district and
44 the charter school shall not exceed 1.0, except that if the pupil is enrolled
45 in both a charter school and a joint technological education district and

1 resides within the boundaries of a school district participating in the joint
2 technological education district, the sum of the average daily membership for
3 that pupil in the charter school and the joint technological education
4 district shall not exceed 1.25. If a pupil is enrolled in both a charter
5 school and a public school that is not a charter school, the department of
6 education shall direct the average daily membership to the school with the
7 most recent enrollment date. Upon validation of actual enrollment in both a
8 charter school and a public school that is not a charter school and if the
9 sum of the daily membership or daily attendance for that pupil is greater
10 than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between
11 the public school and the charter school based on the percentage of total
12 time that the pupil is enrolled or in attendance in the public school and the
13 charter school, except that if the pupil is enrolled in both a charter school
14 and a joint technological education district and resides within the
15 boundaries of a school district participating in the joint technological
16 education district, the sum of the average daily membership for that pupil in
17 the charter school and the joint technological education district shall be
18 reduced to 1.25 and shall be apportioned between the charter school and the
19 joint technological education district based on the percentage of total time
20 that the pupil is enrolled or in attendance in the charter school and the
21 joint technological education district. The uniform system of financial
22 records shall include guidelines for the apportionment of the pupil
23 enrollment and attendance as provided in this section.

24 D. Charter schools are allowed to accept grants and gifts to
25 supplement their state funding, but it is not the intent of the charter
26 school law to require taxpayers to pay twice to educate the same pupils. The
27 base support level for a charter school or for a school district sponsoring a
28 charter school shall be reduced by an amount equal to the total amount of
29 monies received by a charter school from a federal or state agency if the
30 federal or state monies are intended for the basic maintenance and operations
31 of the school. The superintendent of public instruction shall estimate the
32 amount of the reduction for the budget year and shall revise the reduction to
33 reflect the actual amount before May 15 of the current year. If the
34 reduction results in a negative amount, the negative amount shall be used in
35 computing all budget limits and equalization assistance, except that:

36 1. Equalization assistance shall not be less than zero.

37 2. For a charter school sponsored by the state board of education or
38 the state board for charter schools, the total of the base support level, the
39 capital outlay revenue limit, the soft capital allocation, ~~and the~~ additional
40 assistance **AND THE ENGLISH LANGUAGE ACQUISITION PROGRAM ALLOCATION PURSUANT**
41 **TO SECTION 15-966** shall not be less than zero.

42 3. For a charter school sponsored by a school district, the base
43 support level for the school district shall not be reduced by more than the
44 amount that the charter school increased the district's base support level,

1 capital outlay revenue limit, ~~and~~ soft capital allocation AND ENGLISH
2 LANGUAGE ACQUISITION PROGRAM ALLOCATION.

3 E. If a charter school was a district public school in the prior year
4 and is now being operated for or by the same school district and sponsored by
5 the state board of education, the state board for charter schools or a school
6 district governing board, the reduction in subsection D of this section
7 applies. The reduction to the base support level of the charter school or
8 the sponsoring district of the charter school shall equal the sum of the base
9 support level and the additional assistance received in the current year for
10 those pupils who were enrolled in the traditional public school in the prior
11 year and are now enrolled in the charter school in the current year.

12 F. Equalization assistance for charter schools shall be provided as a
13 single amount based on average daily membership without categorical
14 distinctions between maintenance and operations or capital.

15 G. At the request of a charter school, the county school
16 superintendent of the county where the charter school is located may provide
17 the same educational services to the charter school as prescribed in section
18 15-308, subsection A. The county school superintendent may charge a fee to
19 recover costs for providing educational services to charter schools.

20 H. If the sponsor of the charter school determines at a public meeting
21 that the charter school is not in compliance with federal law, with the laws
22 of this state or with its charter, the sponsor of a charter school may submit
23 a request to the department of education to withhold up to ten per cent of
24 the monthly apportionment of state aid that would otherwise be due the
25 charter school. The department of education shall adjust the charter
26 school's apportionment accordingly. The sponsor shall provide written notice
27 to the charter school at least seventy-two hours before the meeting and shall
28 allow the charter school to respond to the allegations of noncompliance at
29 the meeting before the sponsor makes a final determination to notify the
30 department of education of noncompliance. The charter school shall submit a
31 corrective action plan to the sponsor on a date specified by the sponsor at
32 the meeting. The corrective action plan shall be designed to correct
33 deficiencies at the charter school and to ensure that the charter school
34 promptly returns to compliance. When the sponsor determines that the charter
35 school is in compliance, the department of education shall restore the full
36 amount of state aid payments to the charter school.

37 I. In addition to the withholding of state aid payments pursuant to
38 subsection H of this section, the sponsor of a charter school may impose a
39 civil penalty of one thousand dollars per occurrence if a charter school
40 fails to comply with the fingerprinting requirements prescribed in section
41 15-183, subsection C or section 15-512. The sponsor of a charter school
42 shall not impose a civil penalty if it is the first time that a charter
43 school is out of compliance with the fingerprinting requirements and if the
44 charter school provides proof within forty-eight hours of written
45 notification that an application for the appropriate fingerprint check has

1 been received by the department of public safety. The sponsor of the charter
 2 school shall obtain proof that the charter school has been notified, and the
 3 notification shall identify the date of the deadline and shall be signed by
 4 both parties. The sponsor of a charter school shall automatically impose a
 5 civil penalty of one thousand dollars per occurrence if the sponsor
 6 determines that the charter school subsequently violates the fingerprinting
 7 requirements. Civil penalties pursuant to this ~~section~~ SUBSECTION shall be
 8 assessed by requesting the department of education to reduce the amount of
 9 state aid that the charter school would otherwise receive by an amount equal
 10 to the civil penalty. The amount of state aid withheld shall revert to the
 11 state general fund at the end of the fiscal year.

12 J. A charter school may receive and spend monies distributed by the
 13 department of education pursuant to section 42-5029, subsection E and section
 14 37-521, subsection B.

15 K. For the purposes of this section:

16 1. "Monies intended for the basic maintenance and operations of the
 17 school" means monies intended to provide support for the educational program
 18 of the school, except that it does not include supplemental assistance for a
 19 specific purpose or P.L. 81-874 monies. The auditor general shall determine
 20 which federal or state monies meet the definition in this paragraph.

21 2. "Operated for or by the same school district" means the charter
 22 school is either governed by the same district governing board or operated by
 23 the district in the same manner as other traditional schools in the district
 24 or is operated by an independent party that has a contract with the school
 25 district. The auditor general and the department of education shall
 26 determine which charter schools meet the definition in this subsection.

27 Sec. 2. Section 15-241, Arizona Revised Statutes, is amended to read:

28 15-241. School accountability; schools failing to meet academic
 29 standards; failing schools tutoring fund;
 30 classification label for school districts and charter
 31 school operators

32 A. The department of education shall compile an annual achievement
 33 profile for each public school.

34 B. Each school shall submit to the department any data that is
 35 required and requested and that is necessary to compile the achievement
 36 profile. A school that fails to submit the information that is necessary is
 37 not eligible to receive monies from the classroom site fund established by
 38 section 15-977.

39 C. The department shall establish a baseline achievement profile for
 40 each school by October 15, 2001. The baseline achievement profile shall be
 41 used to determine a standard measurement of acceptable academic progress for
 42 each school and a school classification pursuant to subsection H of this
 43 section. Any disclosure of educational records compiled by the department of
 44 education pursuant to this section shall comply with the family educational
 45 and privacy rights act of 1974 (20 United States Code section 1232g).

1 D. The achievement profile for schools that offer instruction in
2 kindergarten programs and grades one through eight, or any combination of
3 those programs or grades, shall include the following school academic
4 performance indicators:

5 1. The Arizona measure of academic progress. The department shall
6 compute the extent of academic progress made by the pupils in each school
7 during the course of each year.

8 2. The Arizona instrument to measure standards test. The department
9 shall compute the percentage of pupils who meet or exceed the standard on the
10 Arizona instrument to measure standards test, as prescribed by the state
11 board of education. The superintendent of public instruction and the
12 department may calculate academic gain on the Arizona instrument to measure
13 standards test according to each of the school classifications prescribed in
14 subsection G of this section on a statewide basis, for each school district
15 in this state and for each school by determining the average scale scores for
16 students in the current academic year as compared to the average scale scores
17 for the previous academic year for the same students.

18 3. The results of English language learners tests administered
19 pursuant to section 15-756, ~~subsection B, section 15-756.05 and section~~
20 ~~15-756.06.~~

21 E. The achievement profile for schools that offer instruction in
22 grades nine through twelve, or any combination of those grades, shall include
23 the following school academic performance indicators:

24 1. The Arizona instrument to measure standards test. The department
25 shall compute the percentage of pupils pursuant to subsection G of this
26 section who meet or exceed the standard on the Arizona instrument to measure
27 standards test, as prescribed by the state board of education. The
28 superintendent of public instruction and the department may calculate
29 academic gain on the Arizona instrument to measure standards test according
30 to each of the school classifications prescribed in subsection G of this
31 section on a statewide basis, for each school district in this state and for
32 each school by determining the average scale scores for students in the
33 current academic year as compared to the average scale scores for the
34 previous academic year for the same students.

35 2. The annual dropout rate.

36 3. The annual graduation rate.

37 4. The results of English language learners tests administered
38 pursuant to section 15-756, ~~subsection B, section 15-756.05 and section~~
39 ~~15-756.06.~~

40 F. Schools that offer instruction in all or a combination of the
41 grades specified in subsections D and E of this section shall include a
42 single achievement profile for that school that includes the school academic
43 performance indicators specified in subsections D and E of this section.

1 G. Subject to final adoption by the state board of education, the
2 department shall determine the criteria for each school classification using
3 a research based methodology. The methodology shall include the performance
4 of pupils at all achievement levels, account for pupil mobility, account for
5 the distribution of pupil achievement at each school and include longitudinal
6 indicators of academic performance. For the purposes of this subsection,
7 "research based methodology" means the systematic and objective application
8 of statistical and quantitative research principles to determine a standard
9 measurement of acceptable academic progress for each school.

10 H. The achievement profile shall be used to determine a school
11 classification that designates each school as one of the following:

- 12 1. An excelling school.
- 13 2. A highly performing school.
- 14 3. A performing school.
- 15 4. An underperforming school.
- 16 5. A school failing to meet academic standards.

17 I. The classification for each school and the criteria used to
18 determine classification pursuant to subsection G of this section shall be
19 included on the school report card prescribed in section 15-746.

20 J. Subject to final adoption by the state board of education, the
21 department of education shall develop a parallel achievement profile for
22 accommodation schools, alternative schools as defined by the state board of
23 education and extremely small schools as defined by the state board of
24 education for the purposes of this section.

25 K. If a school is designated as an underperforming school, within
26 ninety days after receiving notice of the designation, the governing board
27 shall develop an improvement plan for the school, submit a copy of the plan
28 to the superintendent of public instruction and supervise the implementation
29 of the plan. The plan shall include necessary components as identified by
30 the state board of education. Within thirty days after submitting the
31 improvement plan to the superintendent of public instruction, the governing
32 board shall hold a special public meeting in each school that has been
33 designated as an underperforming school and shall present the respective
34 improvement plans that have been developed for each school. The school
35 district governing board, within thirty days of receiving notice of the
36 designation, shall provide written notification of the classification to each
37 residence within the attendance area of the school. The notice shall explain
38 the improvement plan process and provide information regarding the public
39 meeting required by this subsection.

40 L. A school that has not submitted an improvement plan pursuant to
41 subsection K of this section is not eligible to receive monies from the
42 classroom site fund established by section 15-977 for every day that a plan
43 has not been received by the superintendent of public instruction within the
44 time specified in subsection K of this section plus an additional ninety
45 days. The state board of education shall require the superintendent of the

1 school district to testify before the board and explain the reasons that an
2 improvement plan for that school has not been submitted.

3 M. If a charter school is designated as an underperforming school,
4 within thirty days the school shall notify the parents of the students
5 attending the school of the classification. The notice shall explain the
6 improvement plan process and provide information regarding the public meeting
7 required by this subsection. Within ninety days of receiving the
8 classification, the charter holder shall present an improvement plan to the
9 charter sponsor at a public meeting and submit a copy of the plan to the
10 superintendent of public instruction. The improvement plan shall include
11 necessary components as identified by the state board of education. For
12 every day that an improvement plan is not received by the superintendent of
13 public instruction, the school is not eligible to receive monies from the
14 classroom site fund established by section 15-977 for every day that a plan
15 has not been received by the superintendent of public instruction within the
16 time specified in subsection K of this section plus an additional ninety
17 days. The charter holder shall appear before the sponsoring board and
18 explain why the improvement plan has not been submitted.

19 N. The department of education shall establish an appeals process, to
20 be approved by the state board of education, for a school to appeal data used
21 to determine the achievement profile of the school. The criteria established
22 shall be based on mitigating factors and may include a visit to the school
23 site by the department of education.

24 O. If a school remains classified as an underperforming school for a
25 third consecutive year, the department of education shall visit the school
26 site to confirm the classification data and to review the implementation of
27 the school's improvement plan. The school shall be classified as failing to
28 meet academic standards unless an alternate classification is made after an
29 appeal pursuant to subsection N of this section.

30 P. The school district governing board, within thirty days of
31 receiving notice of the school failing to meet academic standards
32 classification, shall provide written notification of the classification to
33 each residence in the attendance area of the school. The notice shall
34 explain the improvement plan process and provide information regarding the
35 public meeting required by subsection S of this section.

36 Q. The superintendent of public instruction, based on need, shall
37 assign a solutions team to an underperforming school, a school failing to
38 meet academic standards or any other school pursuant to a mutual agreement
39 between the department of education and the school comprised of master
40 teachers, fiscal analysts and curriculum assessment experts who are certified
41 by the state board of education as Arizona academic standards technicians.
42 The department of education may hire or contract with administrators,
43 principals and teachers who have demonstrated experience with the
44 characteristics and situations in an underperforming school or a school
45 failing to meet academic standards and may use these personnel as part of the

1 solutions team. The department of education shall work with staff at the
2 school to assist in curricula alignment and shall instruct teachers on how to
3 increase pupil academic progress, considering the school's achievement
4 profile. The solutions team shall consider the existing improvement plan to
5 assess the need for changes to curriculum, professional development and
6 resource allocation and shall present a statement of its findings to the
7 school administrator and district superintendent. Within forty-five days
8 after the presentation of the solutions team's statement of findings, the
9 school district governing board, in cooperation with each school within the
10 school district that is designated an underperforming school and its assigned
11 solutions team representative, shall develop and submit to the department of
12 education an action plan that details the manner in which the school district
13 will assist the school as the school incorporates the findings of the
14 solutions team into the improvement plan. The department of education shall
15 review the action plan and shall either accept the action plan or return the
16 action plan to the school district for modification. If the school district
17 does not submit an approved action plan within forty-five days, the state
18 board of education may direct the superintendent of public instruction to
19 withhold up to ten per cent of state monies that the school district would
20 otherwise be entitled to receive each month until the plan is submitted to
21 the department of education, at which time those monies shall be returned to
22 the school district.

23 R. The parent or the guardian of the pupil may apply to the department
24 of education, in a manner determined by the department of education, for a
25 certificate of supplemental instruction from the failing schools tutoring
26 fund established by this section. Pupils attending a school designated as an
27 underperforming school or a school failing to meet academic standards or a
28 pupil who has failed to pass one or more portions of the Arizona instrument
29 to measure standards test in grades eight through twelve in order to graduate
30 from high school may select an alternative tutoring program in academic
31 standards from a provider that is certified by the state board of education.
32 To qualify, the provider must state in writing a level of academic
33 improvement for the pupil that includes a timeline for improvement that is
34 agreed to by the parent or guardian of the pupil. The state board of
35 education shall annually review academic performance levels for providers
36 certified pursuant to this subsection and may remove a provider at a public
37 hearing from an approved list of providers if that provider fails to meet its
38 stated level of academic improvement. The state board of education shall
39 determine the application guidelines and the maximum value for each
40 certificate of supplemental instruction. The state board of education shall
41 annually complete a market survey in order to determine the maximum value for
42 each certificate of supplemental instruction. Nothing in this subsection
43 shall be construed to require the state to provide additional monies beyond
44 the monies provided pursuant to section 42-5029, subsection E, paragraph 7.

1 S. Within sixty days of receiving notification of designation as a
2 school failing to meet academic standards, the school district governing
3 board shall evaluate needed changes to the existing improvement plan for the
4 school, consider recommendations from the solutions team, submit a copy of
5 the plan to the superintendent of public instruction and supervise the
6 implementation of the plan. Within thirty days after submitting the
7 improvement plan to the superintendent of public instruction, the governing
8 board shall hold a public meeting in each school that has been designated as
9 a school failing to meet academic standards and shall present the respective
10 improvement plans that have been developed for each school.

11 T. A school that has not submitted an improvement plan pursuant to
12 subsection S of this section is not eligible to receive monies from the
13 classroom site fund established by section 15-977 for every day that a plan
14 has not been received by the superintendent of public instruction within the
15 time specified in subsection S of this section plus an additional ninety
16 days. The state board of education shall require the superintendent of the
17 school district to testify before the board and explain the reasons that an
18 improvement plan for that school has not been submitted.

19 U. If a charter school is designated as a school failing to meet
20 academic standards, the department of education shall immediately notify the
21 charter school's sponsor. The charter school's sponsor shall either take
22 action to restore the charter school to acceptable performance or revoke the
23 charter school's charter. Within thirty days the school shall notify the
24 parents of the students attending the school of the classification and of any
25 pending public meetings to review the issue.

26 V. A school that has been designated as a school failing to meet
27 academic standards shall be evaluated by the department of education to
28 determine if the school failed to properly implement its school improvement
29 plan, align the curriculum with academic standards, provide teacher training,
30 prioritize the budget or implement other proven strategies to improve
31 academic performance. After visiting the school site pursuant to subsection
32 O of this section, the department of education shall submit to the state
33 board of education a recommendation to proceed pursuant to subsections Q, R
34 and S of this section or that the school be subject to a public hearing to
35 determine if the school failed to properly implement its improvement plan and
36 the reasons for the department's recommendation.

37 W. If the department does recommend a public hearing, the state board
38 of education shall meet and may provide by a majority vote at the public
39 hearing for the continued operation of the school as allowed by this
40 subsection. The state board of education shall determine whether
41 governmental, nonprofit and private organizations may submit applications to
42 the state board to fully or partially manage the school. The state board's
43 determination shall include:

44 1. If and to what extent the local governing board may participate in
45 the operation of the school including personnel matters.

2. If and to what extent the state board of education shall participate in the operation of the school.

3. Resource allocation pursuant to subsection Y of this section.

4. Provisions for the development and submittal of a school improvement plan to be presented in a public meeting at the school.

5. A suggested time frame for the alternative operation of the school.

X. The state board shall periodically review the status of a school that is operated by an organization other than the school district governing board to determine whether the operation of the school should be returned to the school district governing board. Before the state board makes a determination, the state board or its designee shall meet with the school district governing board or its designee to determine the time frame, operational considerations and the appropriate continuation of existing improvements that are necessary to assure a smooth transition of authority from the other organization back to the school district governing board.

Y. If an alternative operation plan is provided pursuant to subsection W of this section, the state board of education shall pay for the operation of the school and shall adjust the school district's student count pursuant to section 15-902, soft capital allocation pursuant to section 15-962, capital outlay revenue limit pursuant to section 15-961, base support level pursuant to section 15-943, [ENGLISH LANGUAGE ACQUISITION PROGRAM ALLOCATION PURSUANT TO SECTION 15-966](#), monies distributed from the classroom site fund established by section 15-977 and transportation support level pursuant to section 15-945 to accurately reflect any reduction in district services that are no longer provided to that school by the district. The state board of education may modify the school district's revenue control limit, the district support level and the general budget limit calculated pursuant to section 15-947 by an amount that corresponds to this reduction in services. The state board of education shall retain the portion of state aid that would otherwise be due the school district for the school and shall distribute that portion of state aid directly to the organization that contracts with the state board of education to operate the school.

Z. If the state board of education determines that a charter school failed to properly implement its improvement plan, the sponsor of the charter school shall revoke the charter school's charter.

AA. If there are more than two schools in a district and more than one-half, or in any case more than five, of the schools in the district are designated as schools failing to meet academic standards for more than two consecutive years, in the next election of members of the governing board the election ballot shall contain the following statement immediately above the listing of governing board candidates:

Within the last five years, (number of schools) schools in the _____ school district have been designated as "schools failing to meet academic standards" by the superintendent of public instruction.

BB. At least twice each year the department of education shall publish in a newspaper of general circulation in each county of this state a list of schools that are designated as schools failing to meet academic standards.

CC. The failing schools tutoring fund is established consisting of monies collected pursuant to section 42-5029, subsection E as designated for this purpose. The department of education shall administer the fund. The department of education may use monies from the fund to purchase materials designed to assist students to meet the Arizona academic standards and to achieve a passing score on the Arizona instrument to measure standards test in order to graduate from high school.

DD. The department of education may develop a classification label for school districts and charter school operators. If the department of education develops a classification label for school districts and charter school operators, the classification label may be developed from the following components:

1. Measures of academic progress.
2. Pupil assessment data.
3. The attendance rates and graduation rates of pupils who are educated in that charter school operator's charter schools or in that school district's schools.
4. The percentage of the parents of pupils enrolled in that charter school operator's charter schools or in that school district's schools that categorizes the quality of their child's education as excellent on a parental rating of school quality.

Sec. 3. Section 15-393, Arizona Revised Statutes, is amended to read:

15-393. Joint technological education district governing board; report; definition

A. The management and control of the joint district are vested in the joint technological education district governing board, including the content and quality of the courses offered by the district, the quality of teachers who provide instruction on behalf of the district, the salaries of teachers who provide instruction on behalf of the district and the reimbursement of other entities for the facilities used by the district. Unless the governing boards of the school districts participating in the formation of the joint district vote to implement an alternative election system as provided in subsection B of this section, the joint board shall consist of five members elected from five single member districts formed within the joint district. The single member district election system shall be submitted as part of the plan for the joint district pursuant to section 15-392 and shall be established in the plan as follows:

1. The governing boards of the school districts participating in the formation of the joint district shall define the boundaries of the single member districts so that the single member districts are as nearly equal in population as is practicable, except that if the joint district lies in part in each of two or more counties, at least one single member district may be

1 entirely within each of the counties comprising the joint district if this
2 district design is consistent with the obligation to equalize the population
3 among single member districts.

4 2. The boundaries of each single member district shall follow election
5 precinct boundary lines, as far as practicable, in order to avoid further
6 segmentation of the precincts.

7 3. A person who is a registered voter of this state and who is a
8 resident of the single member district is eligible for election to the office
9 of joint board member from the single member district. The terms of office
10 of the members of the joint board shall be as prescribed in section 15-427,
11 subsection B. An employee of a joint technological education district or the
12 spouse of an employee shall not hold membership on a governing board of a
13 joint technological education district by which the employee is employed. A
14 member of one school district governing board or joint technological
15 education district governing board is ineligible to be a candidate for
16 nomination or election to or serve simultaneously as a member of any other
17 governing board, except that a member of a governing board may be a candidate
18 for nomination or election for any other governing board if the member is
19 serving in the last year of a term of office. A member of a governing board
20 shall resign the member's seat on the governing board before becoming a
21 candidate for nomination or election to the governing board of any other
22 school district or joint technological education district, unless the member
23 of the governing board is serving in the last year of a term of office.

24 4. Nominating petitions shall be signed by the number of qualified
25 electors of the single member district as provided in section 16-322.

26 B. The governing boards of the school districts participating in the
27 formation of the joint district may vote to implement any other alternative
28 election system for the election of joint district board members. If an
29 alternative election system is selected, it shall be submitted as part of the
30 plan for the joint district pursuant to section 15-392, and the
31 implementation of the system shall be as approved by the United States
32 justice department.

33 C. The joint technological education district shall be subject to the
34 following provisions of this title:

- 35 1. Chapter 1, articles 1 through 6.
- 36 2. Sections 15-208, 15-210, 15-213 and 15-234.
- 37 3. Articles 2, 3 and 5 of this chapter.
- 38 4. Section 15-361.
- 39 5. Chapter 4, articles 1, 2 and 5.
- 40 6. Chapter 5, articles 1, 2 and 3.
- 41 7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728, 15-729
42 and 15-730.
- 43 8. Chapter 7, article 5.
- 44 9. Chapter 8, articles 1, 3 and 4.
- 45 10. Sections 15-828 and 15-829.

1 11. Chapter 9, article 1, article 6, except for section 15-995, and
2 article 7.

3 12. Sections 15-941, 15-943.01, 15-948, 15-952, 15-953 and 15-973.

4 13. Sections 15-1101 and 15-1104.

5 14. Chapter 10, articles 2, 3, 4 and 8.

6 D. Notwithstanding subsection C of this section, the following apply
7 to a joint technological education district:

8 1. A joint district may issue bonds for the purposes specified in
9 section 15-1021 and in chapter 4, article 5 of this title to an amount in the
10 aggregate, including the existing indebtedness, not exceeding one per cent of
11 the taxable property used for secondary tax purposes, as determined pursuant
12 to title 42, chapter 15, article 1, within the joint technological education
13 district as ascertained by the last property tax assessment previous to
14 issuing the bonds.

15 2. The number of governing board members for a joint district shall be
16 as prescribed in subsection A of this section.

17 3. If a career and technical education and vocational education course
18 or program provided pursuant to this article is provided in a facility owned
19 or operated by a school district in which a pupil is enrolled, including
20 satellite courses, the sum of the daily attendance, as provided in section
21 15-901, subsection A, paragraph 6, for that pupil in both the school district
22 and joint technological education district shall not exceed 1.25 and the sum
23 of the fractional student enrollment, as provided in section 15-901,
24 subsection A, paragraph 2, subdivision (a), shall not exceed 1.25 for the
25 courses taken in the school district and the facility, including satellite
26 courses. The school district and the joint district shall determine the
27 apportionment of the daily attendance and fractional student enrollment for
28 that pupil between the school district and the joint district.

29 4. The student count for the first year of operation of a joint
30 technological education district as provided in this article shall be
31 determined as follows:

32 (a) Determine the estimated student count for joint district classes
33 that will operate in the first year of operation. This estimate shall be
34 based on actual registration of pupils as of March 30 scheduled to attend
35 classes that will be operated by the joint district. The student count for
36 the district of residence of the pupils registered at the joint district
37 shall be adjusted. The adjustment shall cause the district of residence to
38 reduce the student count for the pupil to reflect the courses to be taken at
39 the joint district. The district of residence shall review and approve the
40 adjustment of its own student count as provided in this subdivision before
41 the pupils from the school district can be added to the student count of the
42 joint district.

43 (b) The student count for the new joint district shall be the student
44 count as determined in subdivision (a) of this paragraph.

1 (c) After the first one hundred days or two hundred days in session,
2 as applicable, for the first year of operation, the joint district shall
3 revise the student count to the actual student count for students attending
4 classes in the joint district. A joint district shall revise its student
5 count, the base support level as provided in section 15-943.02, the revenue
6 control limit as provided in section 15-944.01, the capital outlay revenue
7 limit, ~~and~~ the soft capital allocation as provided in section 15-962.01 **AND**
8 **THE ENGLISH LANGUAGE ACQUISITION PROGRAM ALLOCATION AS PROVIDED IN SECTION**
9 **15-966** prior to May 15. A joint district that overestimated its student
10 count shall revise its budget prior to May 15. A joint district that
11 underestimated its student count may revise its budget prior to May 15.

12 (d) After the first one hundred days or two hundred days in session,
13 as applicable, for the first year of operation, the district of residence
14 shall adjust its student count by reducing it to reflect the courses actually
15 taken at the joint district. The district of residence shall revise its
16 student count, the base support level as provided in section 15-943, the
17 revenue control limit as provided in section 15-944, the capital outlay
18 revenue limit as provided in section 15-961, ~~and~~ the soft capital allocation
19 as provided in section 15-962 **AND THE ENGLISH LANGUAGE ACQUISITION PROGRAM**
20 **ALLOCATION AS PROVIDED IN SECTION 15-966** prior to May 15. A district that
21 underestimated the student count for students attending the joint district
22 shall revise its budget prior to May 15. A district that overestimated the
23 student count for students attending the joint district may revise its budget
24 prior to May 15.

25 (e) A joint district for the first year of operation shall not be
26 eligible for adjustment pursuant to section 15-948.

27 (f) The procedures for implementing this paragraph shall be as
28 prescribed in the uniform system of financial records.

29 (g) If the district of residence utilizes section 15-942 to determine
30 its student count, the district shall reduce its student count as provided in
31 this paragraph by subtracting the appropriate count from the student count
32 determined as provided in section 15-942.

33 For the purposes of this paragraph, "district of residence" means the
34 district that included the pupil in its average daily membership for the year
35 before the first year of operation of the joint district and that would have
36 included the pupil in its student count for the purposes of computing its
37 base support level for the fiscal year of the first year of operation of the
38 joint district if the pupil had not enrolled in the joint district.

39 5. A student includes any person enrolled in the joint district
40 without regard to the person's age or high school graduation status, except
41 that:

42 (a) A student in a kindergarten program or in grades one through eight
43 who enrolls in courses offered by the joint technological education district
44 shall not be included in the joint district's average daily attendance or
45 average daily membership.

(b) A student in a kindergarten program or in grades one through eight who is enrolled in vocational education courses shall not be funded in whole or in part with monies provided by a joint technological education district.

(c) A student who is over twenty-two years of age shall not be included in the student count of the joint district for the purposes of chapter 9, articles 3, 4 and 5 of this title.

(d) A student in grade nine who enrolls in a career exploration course shall not be included in the joint district's average daily attendance or average daily membership.

6. A joint district may operate for more than one hundred seventy-five days per year, with expanded hours of service.

7. A joint district may use the excess utility costs provisions of section 15-910 in the same manner as a school district for fiscal years 1999-2000 and 2000-2001, except that the base year shall be the first full fiscal year of operations.

8. A joint district may use the carryforward provisions of section 15-943.01 retroactively to July 1, 1993.

9. A school district that is part of a joint district shall use any monies received pursuant to this article to supplement and not supplant base year career and technical education and vocational education courses, and directly related equipment and facilities, except that a school district that is part of a joint technological education district and that has used monies received pursuant to this article to supplant career and technological education and vocational education courses that were offered before the first year that the school district participated in the joint district or the first year that the school district used monies received pursuant to this article or that used the monies for purposes other than for career and technological education and vocational education courses shall:

(a) Use at least thirty-three per cent of the monies received pursuant to this article in fiscal year 2005-2006 to supplement and not supplant base year career and technical education and vocational education courses.

(b) Use at least sixty-six per cent of the monies received pursuant to this article in fiscal year 2006-2007 to supplement and not supplant base year career and technical education and vocational education courses.

(c) Use one hundred per cent of the monies received pursuant to this article in fiscal year 2007-2008 and each fiscal year thereafter to supplement and not supplant base year career and technical education and vocational education courses.

10. A joint technological education district shall use any monies received pursuant to this article to enhance and not supplant career and technical education and vocational education courses and directly related equipment and facilities.

11. A joint technological education district or a school district that is part of a joint district shall only include pupils in grades nine through twelve in the calculation of average daily membership or average daily

1 attendance if the pupils are enrolled in courses that are approved jointly by
2 the governing board of the joint technological education district and each
3 participating school district for satellite courses taught within the
4 participating school district, or approved solely by the joint technological
5 education district for centrally located courses. Average daily membership
6 and average daily attendance from courses that are not part of an approved
7 program for career and technical education shall not be included in average
8 daily membership and average daily attendance of a joint technological
9 education district. A student in grade nine who enrolls in a career
10 exploration course shall not be included in the joint district's average
11 daily attendance or average daily membership.

12 E. The joint board shall appoint a superintendent as the executive
13 officer of the joint district.

14 F. Taxes may be levied for the support of the joint district as
15 prescribed in chapter 9, article 6 of this title, except that a joint
16 technological education district shall not levy a property tax pursuant to
17 law that exceeds five cents per one hundred dollars assessed valuation except
18 for bond monies pursuant to subsection D, paragraph 1 of this section.
19 Except for the taxes levied pursuant to section 15-994, such taxes shall be
20 obtained from a levy of taxes on the taxable property used for secondary tax
21 purposes.

22 G. The schools in the joint district are available to all persons who
23 reside in the joint district subject to the rules for admission prescribed by
24 the joint board.

25 H. The joint board may collect tuition for adult students and the
26 attendance of pupils who are residents of school districts that are not
27 participating in the joint district pursuant to arrangements made between the
28 governing board of the district and the joint board.

29 I. The joint board may accept gifts, grants, federal monies, tuition
30 and other allocations of monies to erect, repair and equip buildings and for
31 the cost of operation of the schools of the joint district.

32 J. One member of the joint board shall be selected chairman. The
33 chairman shall be selected annually on a rotation basis from among the
34 participating school districts. The chairman of the joint board shall be a
35 voting member.

36 K. A joint board and a community college district may enter into
37 agreements for the provision of administrative, operational and educational
38 services and facilities.

39 L. Any agreement between the governing board of a joint technological
40 education district and another joint technological education district, a
41 school district, a charter school or a community college district shall be in
42 the form of an intergovernmental agreement or other written contract. The
43 auditor general shall modify the uniform system of financial records and
44 budget forms in accordance with this subsection. The intergovernmental

1 agreement or other written contract shall completely and accurately specify
2 each of the following:

3 1. The financial provisions of the intergovernmental agreement or
4 other written contract and the format for the billing of all services.

5 2. The accountability provisions of the intergovernmental agreement or
6 other written contract.

7 3. The responsibilities of each joint technological education
8 district, each school district, each charter school and each community
9 college district that is a party to the intergovernmental agreement or other
10 written contract.

11 4. The type of instruction that will be provided under the
12 intergovernmental agreement or other written contract.

13 5. The quality of the instruction that will be provided under the
14 intergovernmental agreement or other written contract.

15 6. The transportation services that will be provided under the
16 intergovernmental agreement or other written contract and the manner in which
17 transportation costs will be paid.

18 7. The amount that the joint technological education district will
19 contribute to a course and the amount of support required by the school
20 district or the community college.

21 8. That the services provided by the joint technological education
22 district, the school district, the charter school or the community college
23 district be proportionally calculated in the cost of delivering the service.

24 9. That the payment for services shall not exceed the cost of the
25 services provided.

26 10. That any initial intergovernmental agreement or other written
27 contract and any addendums between the governing board of a joint
28 technological education district and another joint technological education
29 district, a school district, a charter school or a community college district
30 be submitted by the joint technological education district to the joint
31 legislative budget committee for review.

32 M. On or before December 31 of each year, each joint technological
33 education district shall submit a detailed report to the career and technical
34 education division of the department of education. The career and technical
35 education division of the department of education shall collect, summarize
36 and analyze the data submitted by the joint districts, shall submit an annual
37 report that summarizes the data submitted by the joint districts to the
38 governor, the speaker of the house of representatives, the president of the
39 senate and the state board of education and shall submit a copy of this
40 report to the secretary of state and the director of the Arizona state
41 library, archives and public records. The data submitted by each joint
42 technological education district shall include the following:

43 1. The average daily membership of the joint district.

44 2. The course listings and course descriptions of courses offered by
45 the joint district.

3. The costs associated with each course offered by the joint district.

4. The completion rate for each course offered by the joint district.

5. The graduation rate of students enrolled in the joint district.

6. A detailed description of the career opportunities available to students after completion of the program offered by the joint district.

7. A detailed description of the career placement of students who have completed the program offered by the joint district.

8. Any other data deemed necessary by the department of education to carry out its duties under this subsection.

N. If the career and technical education division of the department of education determines that a course does not meet the criteria for approval as a joint technical education course, the governing board of the joint technological education district may appeal this decision to the state board of education acting as the state board of vocational education.

O. Notwithstanding any other law, the average daily membership of a pupil who is enrolled in a course that meets for at least one hundred fifty minutes per class period at a centralized campus owned and operated by a joint technological education district shall be 0.75.

P. For the purposes of this section, "base year" means the complete school year in which voters of a school district elected to join a joint technological education district.

Sec. 4. Repeal

Sections 15-756, 15-756.01, 15-756.02, 15-756.03, 15-756.04, 15-756.05, 15-756.06, 15-756.07, 15-756.08, 15-756.09, 15-756.10, 15-756.11, 15-756.12 and 15-756.13, Arizona Revised Statutes, are repealed.

Sec. 5. Title 15, chapter 7, article 3.1, Arizona Revised Statutes, is amended by adding new sections 15-756, 15-756.01 and 15-756.02, to read:

15-756. Programs for English language learners; state board of education; duties; definition

A. THE STATE BOARD OF EDUCATION SHALL:

1. PRESCRIBE THE MANNER IN WHICH THE PRIMARY OR HOME LANGUAGE FOR ALL NEW PUPILS WHO ENROLL IN A SCHOOL DISTRICT OR CHARTER SCHOOL SHALL BE IDENTIFIED.

2. PRESCRIBE THE MANNER IN WHICH THE ENGLISH LANGUAGE PROFICIENCY OF ALL PUPILS WITH A PRIMARY OR HOME LANGUAGE OTHER THAN ENGLISH SHALL BE ASSESSED AND REASSESSED THROUGH THE ADMINISTRATION OF ENGLISH LANGUAGE PROFICIENCY EXAMS.

3. PRESCRIBE THE MANNER IN WHICH THE PROCESS OF REASSESSING ENGLISH LANGUAGE LEARNERS TO DETERMINE ENGLISH LANGUAGE PROFICIENCY WILL BE CONDUCTED. IF THE TEST USED IN PARAGRAPH 2 IS USED TO REASSESS ENGLISH LANGUAGE PROFICIENCY, THE PUPIL MUST SCORE AT OR ABOVE THE PROFICIENCY SCORE ESTABLISHED FOR THAT TEST. THE PASSING SCORE CANNOT BE LOWER THAN THE PASSING SCORE ESTABLISHED FOR THE PURPOSES OF PARAGRAPH 2.

1 4. PRESCRIBE THE MANNER IN WHICH THE EVALUATION OF FORMER ENGLISH
2 LANGUAGE LEARNERS WILL BE CONDUCTED FOR THE TWO YEARS FOLLOWING THE PUPIL'S
3 DESIGNATION AS ENGLISH LANGUAGE PROFICIENT TO IDENTIFY PUPILS WHO ARE
4 ELIGIBLE FOR COMPENSATORY INSTRUCTION. THE EVALUATION SHALL RESULT IN
5 COMPENSATORY INSTRUCTION IF THE STUDENT IS NOT DETERMINED TO BE PROFICIENT IN
6 THE ENGLISH LANGUAGE PURSUANT TO THE TESTS MANDATED IN PARAGRAPH 2 OR DOES
7 NOT ACHIEVE A PASSING SCORE ON THE ARIZONA INSTRUMENT TO MEASURE STANDARDS
8 TEST ADOPTED BY THE STATE BOARD OF EDUCATION PURSUANT TO SECTION 15-741. THE
9 STATE BOARD SHALL IDENTIFY AND ADOPT A MANNER OF EVALUATION FOR THOSE PUPILS
10 WHO DO NOT TAKE THE ARIZONA INSTRUMENT TO MEASURE STANDARDS TEST BECAUSE THE
11 TEST IS NOT ADMINISTERED IN THE PUPIL'S GRADE AND TO ASSESS PROGRESS IN
12 ACADEMIC SUBJECTS THAT ARE NOT ASSESSED BY THE ARIZONA INSTRUMENT TO MEASURE
13 STANDARDS TEST.

14 5. ADOPT GUIDELINES FOR PARENTAL NOTIFICATION OF THE NEED FOR
15 COMPENSATORY INSTRUCTION AND FOR REQUESTING PARENTAL CONSENT FOR COMPENSATORY
16 INSTRUCTION.

17 6. ADOPT GUIDELINES FOR USE BY SCHOOL DISTRICTS AND CHARTER SCHOOLS TO
18 DEVELOP WRITTEN INDIVIDUAL COMPENSATORY PLANS FOR PUPILS FOR THE PURPOSES OF
19 DELIVERING THE COMPENSATORY INSTRUCTION REQUIRED IN PARAGRAPH 4.

20 7. PRESCRIBE THE MANNER IN WHICH TRAINING THAT IS NOT PROVIDED BY A
21 COLLEGE OR UNIVERSITY MAY BE ALLOWED TO SUBSTITUTE FOR ANY OF THE COURSES
22 REQUIRED FOR A STRUCTURED ENGLISH IMMERSION ENDORSEMENT OR A BILINGUAL
23 EDUCATION ENDORSEMENT IF ALL OF THE FOLLOWING CONDITIONS APPLY:

24 (a) THE STATE BOARD OF EDUCATION HAS REVIEWED THE CURRICULUM,
25 TEXTBOOKS, GRADING PROCEDURES AND ATTENDANCE POLICIES AND HAS DETERMINED THAT
26 THE TRAINING IS COMPARABLE IN AMOUNT, SCOPE AND QUALITY TO A COURSE OFFERED
27 BY A COLLEGE OR UNIVERSITY FOR A STRUCTURED ENGLISH IMMERSION OR BILINGUAL
28 EDUCATION ENDORSEMENT.

29 (b) THE TRAINING MEETS THE PROFESSIONAL TEACHING STANDARDS ADOPTED BY
30 THE STATE BOARD OF EDUCATION.

31 (c) THE STATE BOARD OF EDUCATION HAS REVIEWED THE QUALIFICATIONS OF
32 THE INSTRUCTOR AND HAS DETERMINED THAT THE INSTRUCTOR HAS SUFFICIENT
33 EXPERIENCE TO EFFECTIVELY CONDUCT THE TRAINING.

34 8. DEVELOP AND IDENTIFY BEST PRACTICES MODELS AND STRATEGIES FOR
35 EFFECTIVE COMPLIANCE WITH STRUCTURED ENGLISH IMMERSION PROGRAMS AND OTHER
36 LANGUAGE ACQUISITION STRATEGIES PURSUANT TO THIS ARTICLE. THE BEST PRACTICES
37 MODELS AND STRATEGIES SHALL BE BASED ON PROFICIENCY IN BOTH THE ENGLISH
38 LANGUAGE AND THE ARIZONA ACADEMIC STANDARDS. THE STATE BOARD OF EDUCATION IS
39 EXEMPT FROM THE RULE MAKING REQUIREMENTS OF TITLE 41, CHAPTER 6 FOR THE
40 PURPOSES OF THIS PARAGRAPH. THE STATE BOARD SHALL CONDUCT AT LEAST TWO
41 PUBLIC HEARINGS AT WHICH PUBLIC TESTIMONY IS ALLOWED BEFORE THE STATE BOARD
42 ADOPTS OR AMENDS THE BEST PRACTICES MODELS AND STRATEGIES REQUIRED BY THIS
43 PARAGRAPH.

44 9. IDENTIFY AND APPROVE BEST PRACTICES, RESEARCH BASED STRATEGIES AND
45 HIGHLY EFFECTIVE PROGRAMS FOR CONTINUING PROFESSIONAL DEVELOPMENT FOR

TEACHERS WHO ARE DESIGNATED TO DELIVER ENGLISH ACQUISITION CURRICULA AND TO ASSIST ENGLISH LANGUAGE LEARNERS IN ACHIEVING ACADEMIC PROFICIENCY.

10. IDENTIFY BEST PRACTICES AND HIGHLY EFFECTIVE RESEARCH BASED PROGRAMS TO GUIDE SCHOOLS IN DELIVERING ENGLISH ACQUISITION PROGRAMS, INCLUDING PROGRAMS THAT ASSIST ENGLISH LANGUAGE LEARNERS IN ACHIEVING ACADEMIC PROFICIENCY.

11. IDENTIFY SCHOOL DISTRICTS AND SCHOOLS THAT ARE IN COMPLIANCE WITH STATE LAW CONCERNING ENGLISH LANGUAGE LEARNERS AND THAT ARE HIGHLY SUCCESSFUL IN MEETING THE REQUIREMENTS OF STATE LAW.

12. IN COOPERATION WITH PUBLIC AND PRIVATE HIGHER EDUCATION INSTITUTIONS IN THIS STATE, IDENTIFY THE TRAINING NEEDS OF STUDENTS IN TEACHER PREPARATION PROGRAMS AND DEVELOP ONGOING PROFESSIONAL DEVELOPMENT PROGRAMS.

B. THE STATE BOARD OF EDUCATION SHALL REVIEW ANNUALLY THE ADOPTED MODELS AND STRATEGIES AND DELETE FROM, ADD TO OR MODIFY THE EXISTING MODELS AND STRATEGIES BASED ON DATA SUBMITTED BY THE SCHOOL DISTRICTS AND CHARTER SCHOOLS REGARDING SUCCESS IN MEETING BOTH PROFICIENCY IN ENGLISH AND THE ADOPTED ACADEMIC STANDARDS.

C. FOR THE PURPOSES OF THIS SECTION, "COMPENSATORY INSTRUCTION" HAS THE SAME MEANING PRESCRIBED IN SECTION 15-966.

15-756.01. School districts and charter schools; English language learner programs; adoption and implementation

A. BY THE BEGINNING OF THE 2008-2009 SCHOOL YEAR, EVERY SCHOOL DISTRICT AND CHARTER SCHOOL SHALL ADOPT AND IMPLEMENT AN ENGLISH LANGUAGE LEARNER PROGRAM THAT IS BASED ON THE MODELS AND STRATEGIES ADOPTED BY THE STATE BOARD OF EDUCATION PURSUANT TO SECTION 15-756.

B. IF A SCHOOL DISTRICT OR CHARTER SCHOOL WANTS TO ADOPT A ENGLISH LANGUAGE LEARNER PROGRAM THAT IS NOT BASED ON A MODEL OR STRATEGY ADOPTED BY THE STATE BOARD OF EDUCATION, THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL FIRST SUBMIT TO THE STATE BOARD OF EDUCATION FOR APPROVAL DETAILS REGARDING THE PROPOSED PROGRAM ALONG WITH SUPPORTING DOCUMENTATION REGARDING THE EXPECTED OUTCOMES OF THE PROGRAM ON THE DISTRICT'S OR CHARTER SCHOOL'S ENGLISH LANGUAGE LEARNER STUDENTS.

C. ON RECEIPT OF A PROGRAM PROPOSAL FROM A SCHOOL DISTRICT OR CHARTER SCHOOL, THE STATE BOARD OF EDUCATION MAY DO ONE OF THE FOLLOWING:

1. APPROVE THE PROPOSED PROGRAM.

2. PROVIDE LIMITED APPROVAL SUBJECT TO SPECIFIC STIPULATIONS PRESCRIBED BY THE BOARD.

3. REJECT THE PROPOSED PROGRAM AND IDENTIFY A MODEL OR STRATEGY APPROVED BY THE BOARD FOR THE DISTRICT OR CHARTER SCHOOL TO ADOPT.

D. SCHOOL DISTRICTS AND CHARTER SCHOOLS SHALL INCLUDE A COPY OF THE ADOPTED ENGLISH LANGUAGE LEARNER PROGRAM IN THE ANNUAL REPORT REQUIRED IN SECTION 15-756.02, SUBSECTION B.

1 15-756.02. Programs for English language learners: department
2 of education: monitoring: reporting:
3 superintendent of public instruction: federal
4 funding

5 A. THE DEPARTMENT OF EDUCATION SHALL DEVELOP GUIDELINES FOR THE
6 MONITORING OF SCHOOL DISTRICTS AND CHARTER SCHOOLS BEGINNING IN THE 2008-2009
7 SCHOOL YEAR TO ENSURE COMPLIANCE WITH ALL FEDERAL AND STATE LAWS REGARDING
8 ENGLISH LANGUAGE LEARNERS PURSUANT TO THE FOLLOWING CRITERIA:

9 1. EACH YEAR THE DEPARTMENT OF EDUCATION SHALL MONITOR AT LEAST TWELVE
10 SCHOOL DISTRICTS OR CHARTER SCHOOLS FROM THE FIFTY SCHOOL DISTRICTS OR
11 CHARTER SCHOOLS IN THIS STATE WITH THE HIGHEST NUMBER OF ENGLISH LANGUAGE
12 LEARNERS. THE DEPARTMENT SHALL MONITOR ALL FIFTY SCHOOL DISTRICTS OR CHARTER
13 SCHOOLS WITH THE HIGHEST NUMBER OF ENGLISH LANGUAGE LEARNERS IN THIS STATE AT
14 LEAST ONCE EVERY FOUR YEARS.

15 2. EACH YEAR THE DEPARTMENT OF EDUCATION SHALL MONITOR AT LEAST TEN
16 SCHOOL DISTRICTS OR CHARTER SCHOOLS THAT ARE NOT INCLUDED IN THE FIFTY SCHOOL
17 DISTRICTS OR CHARTER SCHOOLS DESCRIBED IN PARAGRAPH 1 OF THIS SUBSECTION.

18 3. EACH YEAR THE DEPARTMENT OF EDUCATION SHALL MONITOR AT LEAST TEN
19 SCHOOL DISTRICTS OR CHARTER SCHOOLS THAT ARE NOT REQUIRED TO PROVIDE
20 INSTRUCTION FOR ENGLISH LANGUAGE LEARNERS FOR A MAJORITY OF THEIR GRADE
21 LEVELS.

22 4. THE SCHOOL DISTRICTS AND CHARTER SCHOOLS DESCRIBED IN PARAGRAPHS 1,
23 2 AND 3 OF THIS SUBSECTION SHALL BE CHOSEN IN THE DEPARTMENT'S SOLE
24 DISCRETION BASED ON THE DEPARTMENT'S REVIEW OF THE REPORTS SUBMITTED BY
25 SCHOOL DISTRICTS AND CHARTER SCHOOLS PURSUANT TO SUBSECTION B OF THIS
26 SECTION.

27 5. THE DEPARTMENT OF EDUCATION SHALL MONITOR A SCHOOL DISTRICT OR
28 CHARTER SCHOOL IF THE DEPARTMENT RECEIVES A DOCUMENTED, WRITTEN COMPLAINT
29 FROM ANY CITIZEN OR A COMPLAINT FROM THE UNITED STATES DEPARTMENT OF
30 EDUCATION OR FROM THE UNITED STATES OFFICE OF CIVIL RIGHTS REGARDING THE
31 SCHOOL DISTRICT'S OR CHARTER SCHOOL'S COMPLIANCE WITH STATE OR FEDERAL LAWS
32 REGARDING ENGLISH LANGUAGE LEARNERS.

33 6. THE MONITORING REQUIRED BY THIS SUBSECTION SHALL BE ON-SITE
34 MONITORING AND SHALL INCLUDE CLASSROOM OBSERVATIONS, CURRICULUM REVIEWS FOR
35 ALIGNMENT WITH BEST PRACTICES AND MODELS AND STRATEGIES ADOPTED BY THE STATE
36 BOARD PURSUANT TO SECTION 15-756, FACULTY INTERVIEWS, STUDENT RECORDS AND A
37 REVIEW OF ENGLISH LANGUAGE LEARNER PROGRAMS.

38 7. BASED ON THE RESULTS OF THE MONITORING, THE DEPARTMENT SHALL
39 DETERMINE WHETHER OR NOT THE SCHOOL DISTRICT OR CHARTER SCHOOL IS COMPLYING
40 WITH STATE AND FEDERAL LAWS APPLICABLE TO ENGLISH LANGUAGE LEARNERS.

41 8. THE DEPARTMENT SHALL ISSUE A REPORT OF THE RESULTS OF THE
42 MONITORING WITHIN FORTY-FIVE DAYS AFTER COMPLETING THE MONITORING.

43 9. WITHIN SIXTY DAYS AFTER ISSUING THE REPORT, THE SCHOOL DISTRICT OR
44 CHARTER SCHOOL RECEIVING THE REPORT SHALL PREPARE AND SUBMIT TO THE
45 DEPARTMENT, IN A MANNER PRESCRIBED BY THE STATE BOARD OF EDUCATION, A

1 CORRECTIVE ACTION PLAN THAT SETS FORTH STEPS THAT WILL BE TAKEN TO CORRECT
2 THE DEFICIENCIES, IF ANY, NOTED IN THE DEPARTMENT'S REPORT.

3 10. WITHIN THIRTY DAYS AFTER RECEIVING A SCHOOL DISTRICT'S OR CHARTER
4 SCHOOL'S CORRECTIVE ACTION PLAN, THE DEPARTMENT SHALL REVIEW THE CORRECTIVE
5 ACTION PLAN AND MAY REQUIRE CHANGES TO THE CORRECTIVE ACTION PLAN.

6 11. AFTER THE DEPARTMENT HAS REVIEWED A SCHOOL DISTRICT'S OR CHARTER
7 SCHOOL'S CORRECTIVE ACTION PLAN AND MADE ANY CHANGES THE DEPARTMENT CONSIDERS
8 TO BE NECESSARY, THE DEPARTMENT SHALL RETURN THE CORRECTIVE ACTION PLAN TO
9 THE SCHOOL DISTRICT OR CHARTER SCHOOL.

10 12. WITHIN THIRTY DAYS AFTER RECEIVING A CORRECTIVE ACTION PLAN BACK
11 FROM THE DEPARTMENT, THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL BEGIN
12 IMPLEMENTING THE MEASURES IN THE PLAN.

13 13. THE DEPARTMENT SHALL CONDUCT A FOLLOW-UP EVALUATION OF THE SCHOOL
14 DISTRICT OR CHARTER SCHOOL WITHIN ONE YEAR AFTER THE DEPARTMENT RETURNS THE
15 CORRECTIVE ACTION PLAN TO THE SCHOOL DISTRICT OR CHARTER SCHOOL. IN
16 CONDUCTING THE FOLLOW-UP EVALUATION, IF THE DEPARTMENT FINDS THAT THE SCHOOL
17 DISTRICT OR CHARTER SCHOOL IS NOT IN COMPLIANCE WITH STATE AND FEDERAL LAWS
18 APPLICABLE TO ENGLISH LANGUAGE LEARNERS, THE DEPARTMENT SHALL REFER THE
19 SCHOOL DISTRICT OR CHARTER SCHOOL TO THE STATE BOARD OF EDUCATION FOR A
20 FINDING OF NONCOMPLIANCE. A SCHOOL DISTRICT OR CHARTER SCHOOL FOUND BY THE
21 BOARD TO BE NONCOMPLIANT SHALL NOT CONTINUE TO RECEIVE STATE AID MONIES FOR
22 ENGLISH LANGUAGE LEARNERS AND SHALL NOT REDUCE THE AMOUNT OF MONIES SPENT ON
23 THE SCHOOL DISTRICT'S OR CHARTER SCHOOL'S ENGLISH LANGUAGE LEARNER PROGRAMS
24 DESPITE THE LOSS OF STATE AID MONIES CAUSED BY THE NONCOMPLIANCE.

25 14. THE DEPARTMENT SHALL MONITOR EACH SCHOOL DISTRICT OR CHARTER SCHOOL
26 THAT THE STATE BOARD OF EDUCATION HAS FOUND TO BE NONCOMPLIANT AND THAT IS
27 NOT RECEIVING STATE AID MONIES PURSUANT TO PARAGRAPH 13 OF THIS SUBSECTION TO
28 ENSURE THAT THE SCHOOL DISTRICT OR CHARTER SCHOOL DOES NOT REDUCE THE AMOUNT
29 OF MONIES SPENT ON THE SCHOOL DISTRICT'S OR CHARTER SCHOOL'S ENGLISH LANGUAGE
30 LEARNER PROGRAMS DESPITE THE LOSS OF STATE AID MONIES CAUSED BY THE
31 NONCOMPLIANCE.

32 15. THE DEPARTMENT SHALL NOTIFY THE STATE BOARD OF EDUCATION WHEN THE
33 SCHOOL DISTRICT OR CHARTER SCHOOL HAS ACHIEVED COMPLIANCE AND THE STATE BOARD
34 SHALL AUTHORIZE THE SCHOOL DISTRICT OR CHARTER SCHOOL TO RECEIVE STATE AID
35 MONIES FOR ENGLISH LANGUAGE LEARNERS.

36 B. EACH SCHOOL DISTRICT AND CHARTER SCHOOL SHALL ANNUALLY SUBMIT A
37 REPORT TO THE DEPARTMENT THAT INCLUDES THE FOLLOWING INFORMATION IDENTIFIED
38 BY GRADE LEVEL AND BY SCHOOL:

39 1. THE NUMBER OF PUPILS WHO ARE CLASSIFIED AS ENGLISH LANGUAGE
40 LEARNERS FOR THE FIRST TIME.

41 2. THE NUMBER OF ENGLISH LANGUAGE LEARNERS WHO ACHIEVED ENGLISH
42 PROFICIENCY IN THE PAST ACADEMIC YEAR AND WHO EXITED THE ENGLISH LANGUAGE
43 LEARNER PROGRAM.

44 3. THE TOTAL NUMBER OF PUPILS CLASSIFIED AS ENGLISH LANGUAGE LEARNERS.

1 4. THE NUMBER OF PUPILS WHO ARE ENROLLED IN EACH TYPE OF LANGUAGE
2 ACQUISITION PROGRAM OFFERED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL.

3 5. IF REQUESTED BY THE DEPARTMENT, THE TEST DATA USED TO DETERMINE
4 ENGLISH PROFICIENCY.

5 6. THE NUMBER OF PUPILS RECLASSIFIED PURSUANT TO SECTION 15-756,
6 SUBSECTION A, PARAGRAPH 4.

7 7. A DESCRIPTION WITH SUPPORTING DATA OF THE SUCCESS OF PUPILS IN THE
8 FIRST TWO YEARS FOLLOWING CLASSIFICATION AS ENGLISH PROFICIENT.

9 8. THE ALLOCATION OF MONIES FROM THE ENGLISH LANGUAGE ACQUISITION
10 PROGRAM AND A DESCRIPTION OF THE USE OF THE MONIES FOR EACH OF THE PURPOSES
11 OF SECTION 15-966 IN A REPORTING FORMAT PRESCRIBED BY THE STATE AUDITOR
12 GENERAL.

13 9. IN A BUDGET FORMAT PRESCRIBED BY THE STATE AUDITOR GENERAL, A
14 DETAILED ACCOUNTING OF ALL REVENUES AND EXPENDITURES FROM ALL LOCAL, STATE
15 AND FEDERAL FUNDING SOURCES THAT ARE USED BY THE SCHOOL DISTRICT OR CHARTER
16 SCHOOL TO PROVIDE INSTRUCTION OR SERVICES TO ENGLISH LANGUAGE LEARNERS FOR
17 LANGUAGE ACQUISITION PROGRAMS.

18 C. THE DEPARTMENT SHALL SUBMIT AN ANNUAL REPORT TO THE GOVERNOR, THE
19 PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES THAT
20 INCLUDES THE FOLLOWING:

21 1. A DETAILED SUMMARY OF THE INFORMATION SUBMITTED BY SCHOOL DISTRICTS
22 AND CHARTER SCHOOLS PURSUANT TO SUBSECTION B OF THIS SECTION IN BOTH AN
23 AGGREGATE AND SCHOOL DISTRICT AND CHARTER SCHOOL FORMAT.

24 2. A DESCRIPTION OF THE DEPARTMENT'S MONITORING ACTIVITIES AND RESULTS
25 PURSUANT TO SUBSECTION A OF THIS SECTION.

26 3. AN ITEMIZED LIST OF ALL FEDERAL MONIES RECEIVED BY THE DEPARTMENT
27 FOR LANGUAGE ACQUISITION PROGRAMS AND THE PURPOSES FOR WHICH THESE FEDERAL
28 MONIES ARE DESIGNATED, INCLUDING MONIES USED TO MONITOR CHARTER SCHOOLS AND
29 SCHOOL DISTRICTS FOR COMPLIANCE WITH LAWS RELATED TO ENGLISH LANGUAGE
30 LEARNERS OR TO FUND THE PURPOSES PRESCRIBED IN THIS SECTION.

31 D. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ATTEMPT TO OBTAIN
32 THE MAXIMUM AMOUNT OF FEDERAL FUNDING THAT IS AVAILABLE FOR BILINGUAL
33 EDUCATION PROGRAMS AND STRUCTURED ENGLISH IMMERSION PROGRAMS AND ANY OTHER
34 FUNDING FROM FEDERAL PROGRAMS THAT APPLY TO THE EDUCATIONAL NEEDS OF ENGLISH
35 LANGUAGE LEARNERS.

36 E. THE DEPARTMENT SHALL SUBMIT A COPY OF THE ANNUAL REPORT REQUIRED BY
37 THIS SECTION TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE
38 LIBRARY, ARCHIVES AND PUBLIC RECORDS.

39 Sec. 6. Section 15-902, Arizona Revised Statutes, is amended to read:

40 15-902. Determination of student count

41 A. For a common or a unified school district in which the average
42 daily membership through the first one hundred days or two hundred days in
43 session, as applicable, of the current year has exceeded the average daily
44 attendance through the first one hundred days or two hundred days in session,
45 as applicable, of the current year by more than six per cent, the student

1 count shall be determined by an adjusted average daily membership computed by
2 multiplying the actual average daily attendance by one hundred six per cent.

3 B. For a high school district in which the average daily membership
4 through the first one hundred days in session of the current year exceeds the
5 average daily attendance through the first one hundred days in session of the
6 current year by more than eight and one-half per cent, the student count
7 shall be determined by an adjusted average daily membership computed by
8 multiplying the actual average daily attendance by one hundred eight and
9 one-half per cent. If the high school district which utilized adjusted
10 average daily membership pursuant to this subsection does not qualify for
11 equalization assistance as provided by section 15-971, the computation of
12 additional state aid for education as provided in section 15-972 for that
13 district shall not include in the primary property tax rate the amount of
14 primary property taxes necessary to fund an amount computed as follows:

15 1. Determine the revenue control limit, capital outlay revenue limit,
16 ~~and~~ soft capital allocation AND ENGLISH LANGUAGE ACQUISITION PROGRAM
17 ALLOCATION using the adjusted average daily membership.

18 2. Add the amounts determined in paragraph 1 of this subsection.

19 3. Determine the revenue control limit, capital outlay revenue limit,
20 ~~and~~ soft capital allocation AND ENGLISH LANGUAGE ACQUISITION PROGRAM
21 ALLOCATION using a student count computed by multiplying the actual average
22 daily attendance by one hundred six per cent.

23 4. Add the amounts determined in paragraph 3 of this subsection.

24 5. Subtract the sum determined under paragraph 4 of this subsection
25 from the sum determined under paragraph 2 of this subsection.

26 C. A school district required to utilize adjusted average daily
27 membership as provided in this section may apply to the department of
28 education for a further adjustment if student absences result from any of the
29 following reasons:

30 1. Widespread illness for any period of three consecutive days or
31 more.

32 2. Adverse weather conditions for any period of three consecutive days
33 or more.

34 3. Concerted refusal by students to attend classes for any period of
35 three consecutive days or more.

36 4. Threats of violence against school property, school personnel or
37 students for any period of one day or more.

38 D. All student absence figures shall be submitted by the school
39 district on a school by school basis to the department of education pursuant
40 to subsection C of this section and shall be certified by the governing board
41 of the school district. The department of education shall review the
42 materials and documents submitted and ~~may~~, if it determines that the absences
43 resulted from the reasons prescribed by this section, MAY further adjust the
44 average daily membership figures of the school district.

1 E. A school district required to use adjusted average daily membership
2 as provided in this section may apply to the department of education for a
3 further adjustment due to absences of pupils with chronic health problems as
4 defined in section 15-346 if the school district is providing services to the
5 pupils during their absence from school.

6 F. A pupil is enrolled if the pupil is currently registered in the
7 school district. In addition, the uniform system of financial records shall
8 contain procedures to ensure that enrollment is determined by all school
9 districts on a uniform basis.

10 G. Any determination of average daily attendance and average daily
11 membership shall be based on the records of the superintendent of public
12 instruction.

13 H. For school districts which maintain an approved year-round school
14 year operation program, an educational program offered on the basis of a four
15 day school week or an alternative kindergarten program offered on the basis
16 of a three day school week, student count shall be based on a computation as
17 prescribed by the superintendent of public instruction on the one hundred
18 seventy-five days' equivalency or two hundred days' equivalency, as
19 applicable, of instructional time as approved by the superintendent of public
20 instruction during which each pupil is enrolled.

21 I. School districts shall be required to record electronically
22 membership and attendance on a school by school basis for each day school is
23 in session. Records shall be certified and forwarded to the department of
24 education electronically within twelve days after the first forty days in
25 session and within twelve days after the first one hundred days in session.

26 J. Absences shall be made part of the attendance record and shall be
27 forwarded electronically by the school district on a school by school basis
28 with other records to the department of education.

29 K. If a new school district is formed by the subdivision of an
30 existing school district as provided in section 15-458, the new school
31 district shall determine its student count, the approved daily route mileage
32 and the number of eligible students transported on the basis of where pupils
33 reside within the boundaries of the new school district when computing
34 assistance as provided in this chapter. The school district shall determine
35 its student count, the approved daily route mileage and the number of
36 eligible students transported on the basis of where pupils reside within the
37 diminished boundaries of the school district when computing a school district
38 budget limit and assistance as provided in this chapter. The combined
39 student count in the new districts may not exceed the student count of the
40 school district which would have existed if the subdivision had not occurred.

41 Sec. 7. Section 15-904, Arizona Revised Statutes, is amended to read:

42 15-904. School district annual financial report; publication;
43 summary

44 A. The governing board of each school district shall publish an annual
45 financial report on a school by school basis for the prior fiscal year by

1 November 15. The auditor general in conjunction with the department of
2 education shall prescribe the format of the financial report to be used by
3 school districts. The financial report shall contain budgeted and actual
4 expenditures for the preceding fiscal year and shall be prepared and
5 distributed by October 15 by the school district with a copy to the county
6 school superintendent. A copy of the annual financial report shall be
7 submitted electronically by the school district to the superintendent of
8 public instruction by October 15. The annual financial report shall be
9 approved by the county school superintendent in an electronic procedure as
10 prescribed by the department of education. School districts that are subject
11 to section 15-914.01 are not required to send a copy to the county school
12 superintendent.

13 B. In addition to the information required in subsection A of this
14 section, the annual financial report shall contain detailed information on
15 the school district budgeted and actual expenditures from the bond building
16 fund, the soft capital allocation fund, **THE ENGLISH LANGUAGE ACQUISITION**
17 **PROGRAM FUND**, the deficiencies correction fund, the building renewal fund and
18 the new school facilities fund, including but not limited to information on
19 classified salaries, employee benefits, interest and fiscal charges, capital
20 lease agreements, land and improvements, buildings and improvements,
21 furniture and equipment, technology and vehicles and transportation equipment
22 for pupils. The information shall specify whether the expenditures are for
23 school district renovation or for new construction, the cost per square foot,
24 and land acquisition costs, as appropriate. Beginning with fiscal year 2006-
25 2007, school districts shall report by individual schools annual expenditures
26 for maintenance and operations, unrestricted capital outlay, soft capital,
27 deficiencies correction and building renewal.

28 C. Except as provided in subsection D of this section, the governing
29 board shall publish, by November 15, the annual financial report for the
30 school district in a newspaper of general circulation within the school
31 district or in the official newspaper of the county as defined in section
32 11-255 or the governing board may mail the annual financial report for the
33 school district to each household in the school district. If the governing
34 board chooses to publish the report in a newspaper, the size of the newspaper
35 print shall be at least eight-point type. The cost of publication or mailing
36 shall be a charge against the school district. The publisher's affidavit of
37 publication shall be filed by the governing board of the school district with
38 the superintendent of public instruction within thirty days after
39 publication.

40 D. The governing board may publish or mail a summary of the annual
41 financial report in the same manner as provided in subsection C of this
42 section. The auditor general in conjunction with the department of education
43 shall prescribe the form of the summary of the annual financial report for
44 use by the governing boards.

1 E. The superintendent of public instruction shall compile the
2 financial reports of the school districts on a school by school basis,
3 including school by school expenditure data for federal and state projects,
4 and shall report to the governor and the legislature on or before January 15
5 of each year as provided in section 15-255.

6 Sec. 8. Section 15-905, Arizona Revised Statutes, is amended to read:
7 15-905. School district budgets; notice; adoption; aggregate
8 budget limit; summary; adjustments; definition

9 A. Not later than July 5 of each year or no later than the publication
10 of notice of the public hearing and board meeting as required by this
11 section, the governing board of each school district shall prepare and
12 furnish to the superintendent of public instruction and the county school
13 superintendent, unless waived by the county school superintendent, a proposed
14 budget in electronic format for the budget year, which shall contain the
15 information and be in the form as provided by the department of education.
16 The proposed budget shall include the following:

17 1. The total amount of revenues from all sources that was necessary to
18 meet the school district's budget for the current year.

19 2. The total amount of revenues by source that will be necessary to
20 meet the proposed budget of the school district, excluding property taxes.
21 The governing board shall prepare the proposed budget and a summary of the
22 proposed budget. Both documents shall be kept on file at the school district
23 office and shall be made available to the public upon request. The auditor
24 general in conjunction with the department of education shall prescribe the
25 form of the summary of the proposed budget for use by governing boards.
26 School district governing boards may include in the proposed budget any items
27 or amounts which are authorized by legislation filed with the secretary of
28 state and which will become effective during the budget year. If subsequent
29 events prevent the legislation from becoming effective, school district
30 governing boards must reduce their budgets by the amounts budgeted pursuant
31 to the legislation which did not become effective.

32 B. The governing board of each school district shall prepare a notice
33 fixing a time not later than July 15 and designating a public place within
34 each school district at which a public hearing and board meeting shall be
35 held. The governing board shall present the proposed budget for
36 consideration of the residents and the taxpayers of the school district at
37 such hearing and meeting.

38 C. The governing board of each school district shall publish or mail,
39 prior to the hearing and meeting, a copy of the proposed budget or the
40 summary of the proposed budget and, in addition, a notice of the public
41 hearing and board meeting no later than ten days prior to the meeting. The
42 proposed budget and the summary of the proposed budget shall contain the
43 percentage of increase or decrease in each budget category of the proposed
44 budget as compared to each category of the budget for the current year.
45 Notification shall be either by publication in a newspaper of general

1 circulation within the school district in which the size of the newspaper
 2 print shall be at least eight-point type, by electronic transmission of the
 3 information to the department of education for posting on the department's
 4 web site or by mailing the information to each household in the school
 5 district. The cost of publication, web site posting or mailing shall be a
 6 charge against the school district. The publisher's affidavit of publication
 7 shall be filed by the governing board with the superintendent of public
 8 instruction within thirty days after publication. If the budget or proposed
 9 budget and notice are posted on a web site maintained by the department of
 10 education or mailed, the board shall file an affidavit with the
 11 superintendent of public instruction within thirty days after the mailing or
 12 the date that the information is posted on the web site. If a truth in
 13 taxation notice and hearing is required under section 15-905.01, the
 14 governing board may combine the notice and hearing under this section with
 15 the truth in taxation notice and hearing.

16 D. At the time and place fixed in the notice, the governing board
 17 shall hold the public hearing and present the proposed budget to the persons
 18 attending the hearing. Upon request of any person, the governing board shall
 19 explain the budget, and any resident or taxpayer of the school district may
 20 protest the inclusion of any item. A governing board member who has a
 21 substantial interest, as defined in section 38-502, in a specific item in the
 22 school district budget shall refrain from voting on the specific item. A
 23 governing board member may without creating a conflict of interest
 24 participate in adoption of a final budget even though the member may have
 25 substantial interest in specific items included in the budget.

26 E. Immediately following the public hearing the president shall call
 27 to order the governing board meeting for the purpose of adopting the
 28 budget. The governing board shall adopt the budget which shall not exceed
 29 the general budget limit, the unrestricted capital budget limit, ~~or~~ the soft
 30 capital allocation limit **OR THE ENGLISH LANGUAGE ACQUISITION PROGRAM**
 31 **ALLOCATION**, making such deductions as it sees fit but making no additions to
 32 the proposed budget total for maintenance and operations or capital outlay,
 33 and shall enter the budget as adopted in its minutes. Not later than July
 34 18, the budget as finally adopted shall be filed by the governing board with
 35 the county school superintendent who shall immediately transmit a copy to the
 36 board of supervisors. Not later than July 18, the budget as finally adopted
 37 shall be submitted electronically to the superintendent of public
 38 instruction. On or before October 30, the superintendent of public
 39 instruction shall review the budget and notify the governing board if the
 40 budget is in excess of the general budget limit, the unrestricted capital
 41 budget limit, ~~or~~ the soft capital allocation limit **OR THE ENGLISH LANGUAGE**
 42 **ACQUISITION PROGRAM ALLOCATION**. If the governing board receives notification
 43 that the budget is in excess of the general budget limit, the unrestricted
 44 capital budget limit, ~~or~~ the soft capital allocation limit **OR THE ENGLISH**
 45 **LANGUAGE ACQUISITION PROGRAM ALLOCATION** by fewer than one thousand dollars,

1 the governing board shall adjust the budget and expenditures so as not to
 2 exceed the general budget limit, the unrestricted capital budget limit or the
 3 soft capital allocation limit for the current year. If the governing board
 4 receives notification that the budget is in excess of the general budget
 5 limit, the unrestricted capital budget limit or the soft capital allocation
 6 limit by one thousand dollars or more, it shall on or before December 15,
 7 after it gives notice and holds a public meeting in a similar manner as
 8 provided in subsections C and D of this section, adopt a revised budget for
 9 the current year which shall not exceed the general budget limit, the
 10 unrestricted capital budget limit, ~~or~~ the soft capital allocation limit **OR**
 11 **THE ENGLISH LANGUAGE ACQUISITION PROGRAM ALLOCATION**. On or before December
 12 18, the governing board shall file the revised budget which it adopts with
 13 the county school superintendent who shall immediately transmit a copy to the
 14 board of supervisors. Not later than December 18, the budget as revised
 15 shall be submitted electronically to the superintendent of public
 16 instruction. School districts that are subject to section 15-914.01 are not
 17 required to send a copy of revised budgets to the county school
 18 superintendent. Procedures for adjusting expenditures or revising the budget
 19 shall be as prescribed in the uniform system of financial records.

20 F. The governing board of each school district may budget for
 21 expenditures within the school district budget as follows:

22 1. Amounts within the general budget limit, as provided in section
 23 15-947, subsection C, may only be budgeted in the following sections of the
 24 budget:

25 (a) The maintenance and operation section.

26 (b) The capital outlay section.

27 2. Amounts within the unrestricted capital budget limit, as provided
 28 in section 15-947, subsection D, may only be budgeted in the unrestricted
 29 capital outlay subsection of the budget. Monies received pursuant to the
 30 unrestricted capital budget limit shall be placed in the unrestricted capital
 31 outlay fund. The monies in the fund are not subject to reversion.

32 3. The soft capital allocation limit, as provided in section 15-947,
 33 subsection E, may only be budgeted in the soft capital allocation subsection
 34 of the budget.

35 G. The governing board may authorize the expenditure of monies
 36 budgeted within the maintenance and operation section of the budget for any
 37 subsection within the section in excess of amounts specified in the adopted
 38 budget only by action taken at a public meeting of the governing board and if
 39 the expenditures for all subsections of the section do not exceed the amount
 40 budgeted as provided in this section. ~~Until June 30, 1999, the governing~~
 41 ~~board may authorize the expenditure of monies to exceed the budgeted~~
 42 ~~expenditures of the capital outlay section of the budget only by action taken~~
 43 ~~at a public meeting of the governing board and if monies are available in the~~
 44 ~~reserve.~~

1 H. The aggregate budget limit is the sum of the following:

2 1. The general budget limit as determined in section 15-947 for the
3 budget year.

4 2. The unrestricted capital budget limit as determined in section
5 15-947 for the budget year.

6 3. The soft capital allocation limit for the budget year as determined
7 in section 15-947.

8 4. THE ENGLISH LANGUAGE ACQUISITION PROGRAM ALLOCATION AS DETERMINED
9 IN SECTION 15-966.

10 ~~4.~~ 5. Federal assistance, excluding P.L. 81-874 monies.

11 I. School districts which overestimated tuition revenues as provided
12 in section 15-947, subsection C, paragraph 2 shall adjust the general budget
13 limit and expenditures based upon tuition revenues for attendance of
14 nonresident pupils during the current fiscal year. School districts which
15 underestimated tuition revenues may adjust their budgets prior to May 15
16 based upon tuition revenues for attendance of nonresident pupils during the
17 current fiscal year. School districts which overestimated revenues as
18 provided in section 15-947, subsection C, paragraph 2, subdivision (a), items
19 (iii), (iv) and (v) and subdivision (d) shall adjust the general budget limit
20 and expenditures based on actual revenues during the current fiscal year.
21 School districts which underestimated such revenues may adjust their budgets
22 before May 15 based on actual revenues during the current fiscal year.
23 Procedures for completing adjustments shall be as prescribed in the uniform
24 system of financial records. Not later than May 18, the budget as adjusted
25 shall be submitted electronically to the superintendent of public
26 instruction.

27 J. A common school district not within a high school district whose
28 estimated tuition charge for high school pupils exceeds the actual tuition
29 charge for high school pupils shall adjust the general budget limit and
30 expenditures based on the actual tuition charge. Not later than May 18, the
31 budget as adjusted shall be submitted electronically to the superintendent of
32 public instruction. A common school district not within a high school
33 district whose estimated tuition charge for high school pupils is less than
34 the actual tuition charge for high school pupils may adjust its budget before
35 May 15 based on the actual tuition charge. Procedures for completing
36 adjustments shall be as prescribed in the uniform system of financial
37 records. If the adjusted general budget limit requires an adjustment of
38 state aid and if the adjustment to state aid is not made in the current year,
39 the superintendent of public instruction shall adjust by August 15 of the
40 succeeding fiscal year the apportionment of state aid to the school district
41 to correct any overpayment or underpayment of state aid received during the
42 current year.

43 K. The governing board may include P.L. 81-874 assistance allocated
44 for children with disabilities, children with specific learning disabilities
45 and children residing on Indian lands which is in addition to basic

1 assistance when determining the general budget limit as prescribed in section
2 15-947, subsection C. The governing board may adjust before May 15 the
3 budget for the current year based on any adjustments which result in
4 increases over the amount estimated by the superintendent of public
5 instruction for P.L. 81-874 assistance for such pupils for the fiscal year
6 preceding the current year. The governing board shall adjust before May 15
7 the budget for the current year based on any adjustments which result in
8 decreases in the amount estimated by the superintendent of public instruction
9 for P.L. 81-874 assistance for such pupils for the fiscal year preceding the
10 current year. Not later than May 18, the budget as adjusted shall be
11 submitted electronically to the superintendent of public instruction.
12 Procedures for complying with ~~the provisions of~~ this subsection shall be as
13 prescribed in the uniform system of financial records.

14 L. The state board of education shall hold a hearing if expenditures
15 by any school district exceed the general budget limit prescribed in section
16 15-947, subsection C, the unrestricted capital budget limit, the soft capital
17 allocation limit prescribed in section 15-947, subsection E, **THE ENGLISH**
18 **LANGUAGE ACQUISITION PROGRAM ALLOCATION PRESCRIBED IN SECTION 15-966**, the
19 school plant fund limits prescribed in section 15-1102, subsection B, the
20 maintenance and operation section of the budget or the capital outlay section
21 of the budget. If the expenditures of any school district exceed these
22 limits or sections of the budget without authorization as provided in section
23 15-907, the state board of education shall reduce the state aid for
24 equalization assistance for education for the school district computed as
25 provided in section 15-971 during the fiscal year subsequent to the fiscal
26 year in which the excess expenditures were made by an amount equal to the
27 excess expenditures, except that in case of hardship to the school district,
28 the superintendent of public instruction may approve reductions partly in the
29 first subsequent year and partly in the second subsequent year.

30 M. The governing board of a school district shall reduce the general
31 budget limit, the unrestricted capital budget limit, ~~or~~ the soft capital
32 allocation limit **OR THE ENGLISH LANGUAGE ACQUISITION PROGRAM ALLOCATION**, for
33 the year subsequent to the year in which the expenditures were in excess of
34 the applicable limit or section of the budget by the amount determined in
35 subsection L of this section, except that in case of hardship to the school
36 district, the superintendent of public instruction may approve reductions
37 partly in the first subsequent year and partly in the second subsequent year.
38 The reduction in the limit is applicable to each school district which has
39 exceeded the general budget limit, the unrestricted capital budget limit, the
40 soft capital allocation limit, **THE ENGLISH LANGUAGE ACQUISITION PROGRAM**
41 **ALLOCATION** or a section of the budget even if the reduction exceeds the state
42 aid for equalization assistance for education for the school district.

43 N. Except as provided in section 15-916, no expenditure shall be made
44 by any school district for a purpose not included in the budget or in excess
45 of the aggregate budget limit prescribed in this section, except that if no

1 budget has been adopted, from July 1 to July 15 the governing board may make
2 expenditures if the total of the expenditures does not exceed ten per cent of
3 the prior year's aggregate budget limit. Any expenditures made from July 1
4 to July 15 and prior to the adoption of the budget shall be included in the
5 total expenditures for the current year. No expenditure shall be made and no
6 debt, obligation or liability shall be incurred or created in any year for
7 any purpose itemized in the budget in excess of the amount specified for the
8 item irrespective of whether the school district at any time has received or
9 has on hand funds in excess of those required to meet the expenditures,
10 debts, obligations and liabilities provided for under the budget except
11 expenditures from cash controlled funds as defined by the uniform system of
12 financial records and except as provided in section 15-907 and subsection G
13 of this section. This subsection does not prohibit any school district from
14 prepaying insurance premiums or magazine subscriptions, or from prepaying any
15 item which is normally prepaid in order to procure the service or to receive
16 a discounted price for the service, as prescribed by the uniform system of
17 financial records.

18 0. The governing board of a school district which is classified as a
19 heavily impacted school district having twenty per cent or more pupils
20 pursuant to 20 United States Code section 238(d)1(A) may determine its
21 eligibility to increase the amount that may be included in determining the
22 general budget limit as provided in subsection K of this section and may
23 increase the amount as follows:

24 1. For fiscal year 1988-1989:

25 (a) Multiply one thousand ninety-four dollars by the number of
26 children with disabilities or children with specific learning disabilities,
27 excluding children who also reside on Indian lands, reported to the division
28 of impact aid, United States department of education in the district's
29 application for fiscal year 1987-1988.

30 (b) Multiply five hundred forty-seven dollars by the number of
31 children residing on Indian lands, excluding children who have disabilities
32 or also have specific learning disabilities, reported to the division of
33 impact aid, United States department of education in the district's
34 application for fiscal year 1987-1988.

35 (c) Multiply one thousand nine hundred fourteen dollars by the number
36 of children residing on Indian lands who have disabilities or also have
37 specific learning disabilities reported to the division of impact aid, United
38 States department of education in the district's application for fiscal year
39 1987-1988.

40 (d) Add the amounts determined in subdivisions (a) through (c).

41 (e) If the amount of P.L. 81-874 assistance as provided in subsection
42 K of this section is less than the sum determined in subdivision (d) of this
43 paragraph, the district is eligible to use the provisions of this subsection.

44 2. For budget years after 1988-1989, use the provisions of paragraph 1
45 of this subsection, but increase each dollar amount by the growth rate for

1 that year as prescribed by law, subject to appropriation and use the number
2 of children reported in the appropriate category for the current fiscal year.

3 3. If the district is eligible to use the provisions of this
4 subsection, subtract the amount of P.L. 81-874 assistance determined in
5 subsection K of this section from the sum determined in paragraph 1,
6 subdivision (d) of this subsection. The difference is the increase in the
7 amount that may be included in determining the general budget limit as
8 provided in subsection K of this section, if including this amount does not
9 increase the district's primary tax rate for the budget year. If the amount
10 of P.L. 81-874 assistance determined in subsection K of this section is
11 adjusted for the current year, the increase determined in this paragraph
12 shall be recomputed using the adjusted amount and the recomputed increase
13 shall be reported to the department of education by May 15 on a form
14 prescribed by the department of education.

15 4. If a district uses the provisions of this subsection, the district
16 is not required to adjust its budget for the current year based on
17 adjustments in the estimated amount of P.L. 81-874 assistance as provided in
18 subsection K of this section.

19 P. A school district, except for an accommodation school, which
20 applies for P.L. 81-874 assistance during the current year may budget an
21 amount for P.L. 81-874 administrative costs for the budget year. The amount
22 budgeted for P.L. 81-874 administrative costs is exempt from the revenue
23 control limit and may not exceed an amount determined for the budgeted year
24 as follows:

25 1. Determine the minimum cost. The minimum cost for fiscal year
26 1990-1991 is two thousand three hundred forty-three dollars. For fiscal year
27 1991-1992 and thereafter, the minimum cost is the minimum cost for the prior
28 year increased by the growth rate as prescribed by law, subject to
29 appropriation.

30 2. Determine the hourly rate. The hourly rate for fiscal year
31 1990-1991 is nine dollars thirty-eight cents. For fiscal year 1991-1992 and
32 thereafter, the hourly rate is the hourly rate for the prior year increased
33 by the growth rate as prescribed by law, subject to appropriation.

34 3. Determine the P.L. 81-874 revenues available by subtracting the
35 amount of P.L. 81-874 assistance used to increase the general budget limit as
36 provided in subsections K and O of this section for the current fiscal year
37 from the total amount of P.L. 81-874 revenues received in the current fiscal
38 year.

39 4. Determine the total number of administrative hours as follows:

40 (a) Determine the sum of the following:

41 (i) 1.00 hours for each high impact pupil who is not disabled or does
42 not have specific learning disabilities.

43 (ii) 1.25 hours for each high impact pupil who is disabled or has
44 specific learning disabilities.

1 (iii) 0.25 hours for each low impact pupil who is not disabled or does
2 not have specific learning disabilities.

3 (iv) 0.31 hours for each low impact pupil who is disabled or has
4 specific learning disabilities.

5 (b) For the purposes of this paragraph:

6 (i) "High impact pupil" means a pupil who resides on Indian lands or a
7 pupil who resides on federal property or in low rent housing and whose parent
8 is employed on federal property or low rent housing property or is on active
9 duty in uniformed service, as provided in P.L. 81-874, section 3(a) and as
10 reported in the application for P.L. 81-874 assistance in the current year.

11 (ii) "Low impact pupil" means a pupil who resides on nonfederal
12 property and has a parent who is employed on federal property or low rent
13 housing property or is on active duty in a uniformed service or a pupil who
14 resides on federal property or in low rent housing and who does not have a
15 parent who is employed on federal property or low rent housing property or is
16 on active duty in uniformed service, as provided in P.L. 81-874, section 3(b)
17 and as reported in the application for P.L. 81-874 assistance in the current
18 year.

19 5. Multiply the total number of administrative hours determined in
20 paragraph 4 of this subsection by the hourly rate determined in paragraph 2
21 of this subsection.

22 6. Determine the greater of the minimum cost determined in paragraph 1
23 of this subsection or the product determined in paragraph 5 of this
24 subsection.

25 7. Add to the amount determined in paragraph 6 of this subsection the
26 amount, if any, to be expended by the school district in the budget year
27 through an intergovernmental agreement with other school districts or the
28 department of education to provide P.L. 81-874 technical assistance to
29 participating districts.

30 8. Determine the lesser of the amount determined in paragraph 7 of
31 this subsection or the revenues available as determined in paragraph 3 of
32 this subsection.

33 9. The amount determined in paragraph 8 of this subsection is the
34 maximum amount which may be budgeted for P.L. 81-874 administrative costs for
35 the budget year as provided in this subsection.

36 10. If the governing board underestimated the amount that may be
37 budgeted for P.L. 81-874 administrative costs for the current year, the board
38 may adjust the general budget limit and the budget before May 15. If the
39 governing board overestimated the amount that may be budgeted for P.L. 81-874
40 administrative costs for the current year, the board shall adjust the general
41 budget limit and the budget before May 15.

42 Q. If a school district governing board has adopted a budget for a
43 fiscal year based on forms and instructions provided by the auditor general
44 and the department of education for that fiscal year and if, as a result of
45 the enactment or nonenactment of proposed legislation after May 1 of the

1 previous fiscal year, the budget is based on incorrect limits, does not
 2 include items authorized by law or does not otherwise conform with law, the
 3 governing board may revise its budget at a public hearing on or before
 4 September 15 to conform with the law. Not later than September 18, the
 5 budget as adjusted shall be submitted electronically to the superintendent of
 6 public instruction. If the governing board does not revise the budget on or
 7 before September 15 and if the budget includes any items not authorized by
 8 law or if the budget exceeds any limits, the governing board shall adjust or
 9 revise the budget as provided in subsection E of this section.

10 R. For the purposes of this section, "P.L. 81-874 assistance" means,
 11 for the current year, an amount equal to the final determination of P.L.
 12 81-874 assistance for the fiscal year preceding the current year as confirmed
 13 by the division of impact aid, United States department of education or, if a
 14 final determination has not been made, the amount estimated by the
 15 superintendent of public instruction as confirmed by the division of impact
 16 aid, United States department of education and, for the budget year, an
 17 amount equal to the determination of P.L. 81-874 assistance for the fiscal
 18 year preceding the budget year as estimated by the superintendent of public
 19 instruction.

20 Sec. 9. Section 15-906, Arizona Revised Statutes, is amended to read:

21 15-906. Procedure for payment of levy fund liabilities payable
 22 on June 30; lapsing of levy funds with balance for
 23 reduction of taxes

24 A. Annually on or before June 30, each school district shall prepare
 25 for all levy funds a list of liabilities for goods received or services
 26 rendered on or before June 30 which will not be paid by June 30 of the
 27 current fiscal year.

28 B. Each school district having levy fund liabilities payable on June
 29 30 shall file an advice of encumbrance with the county school superintendent
 30 on or before July 18, in the manner and upon a form to be prescribed in the
 31 uniform system of financial records. The county school superintendent shall
 32 encumber amounts that are included in year to date expenditures not to exceed
 33 the budget and that are available to pay the liabilities pursuant to section
 34 15-304. Any cash balances remaining in the maintenance and operation, the
 35 unrestricted capital outlay, the soft capital allocation, THE ENGLISH
 36 LANGUAGE ACQUISITION PROGRAM ALLOCATION and the adjacent ways funds after
 37 encumbrances on June 30 of the current year ~~except reverted monies as~~
 38 ~~provided in section 15-991.02~~ that will be budgeted in the unrestricted
 39 capital outlay fund in the following fiscal year pursuant to section 15-947,
 40 subsection D, ~~paragraphs 4 and 5~~ PARAGRAPH 3 and that will be budgeted in the
 41 soft capital allocation fund in the following fiscal year pursuant to section
 42 15-947, subsection E, paragraphs 2 and 3 shall be used for reduction of
 43 school district taxes for the budget year.

C. The county school superintendent may draw warrants against the obligated in contract amounts pursuant to subsection B of this section for a period of sixty days immediately following the close of the fiscal year.

D. After expiration of the period of sixty days immediately following the close of each fiscal year, the remaining obligated in contract balance shall lapse and no further payments from the maintenance and operation, unrestricted capital outlay, soft capital allocation, **ENGLISH LANGUAGE ACQUISITION PROGRAM ALLOCATION** and adjacent ways funds shall be made on any claim for expenditures of the prior fiscal year.

E. School districts that are subject to section 15-914.01 shall adhere to the duties described in section 15-304 for the purposes of this section.

Sec. 10. Section 15-943, Arizona Revised Statutes, is amended to read: **15-943. Base support level**

The base support level for each school district shall be computed as follows:

1. The following support level weights shall be used in paragraph 2, subdivision (a) for the following school districts:

(a) For school districts whose student count in kindergarten programs and grades one through eight is classified in column 1 of this subdivision, the support level weight for kindergarten programs and grades one through eight is the corresponding support level weight prescribed in column 2 or 3 of this subdivision, whichever is appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
	Support Level Weight For Small Isolated	Support Level Weight For Small
<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
1-99	1.559	1.399
100-499	$1.358 + [0.0005 \times (500 - \text{student count})]$	$1.278 + [0.0003 \times (500 - \text{student count})]$
500-599	$1.158 + [0.002 \times (600 - \text{student count})]$	$1.158 + [0.0012 \times (600 - \text{student count})]$

(b) For school districts whose student count in grades nine through twelve is classified in column 1 of this subdivision, the support level weight for grades nine through twelve is the corresponding support level weight prescribed in column 2 or 3 of this subdivision, whichever is appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
	Support Level Weight For Small Isolated	Support Level Weight For Small
<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
1-99	1.669	1.559
100-499	$1.468 + [0.0005 \times (500 - \text{student count})]$	$1.398 + [0.0004 \times (500 - \text{student count})]$
500-599	$1.268 + [0.002 \times (600 - \text{student count})]$	$1.268 + [0.0013 \times (600 - \text{student count})]$

2. Subject to paragraph 1, determine the weighted student count as follows:

(a)

<u>Grade</u>	<u>Base</u>		<u>Group A</u>		<u>Support Level Weight</u>		<u>Student Count</u>		<u>Weighted Student Count</u>
PSD	1.000	+	0.450	=	1.450	x	_____	=	_____
K-8	1.000	+	0.158	=	1.158	x	_____	=	_____
9-12	1.163	+	0.105	=	1.268	x	_____	=	_____
							Subtotal	A	_____

(b)

<u>Funding Category</u>	<u>Support Level Weight</u>		<u>Student Count</u>		<u>Weighted Student Count</u>
HI	4.771	x	_____	=	_____
K, for fiscal year 2006-2007	0.835	x	_____	=	_____
K, for fiscal year 2007-2008 and each fiscal year thereafter	1.352	x	_____	=	_____
K-3	0.060	x	_____	=	_____
ELL	0.115 0.140	x	_____	=	_____
MD-R, A-R and SMR-R	6.024	x	_____	=	_____
MD-SC, A-SC and SMR-SC	5.833	x	_____	=	_____
MD-SSI	7.947	x	_____	=	_____
OI-R	3.158	x	_____	=	_____
OI-SC	6.773	x	_____	=	_____
P-SD	3.595	x	_____	=	_____
ED, MIMR, SLD, SLI and OHI	0.003	x	_____	=	_____
ED-P	4.822	x	_____	=	_____
MOMR	4.421	x	_____	=	_____
VI	4.806	x	_____	=	_____
				Subtotal	B

(c) Total of subtotals A and B: _____

3. Multiply the total determined in paragraph 2 by the base level.

4. Multiply the teacher experience index of the district or 1.00, whichever is greater, by the product obtained in paragraph 3.

Sec. 11. Section 15-943, Arizona Revised Statutes, as amended by section 10 of this act, is amended to read:

15-943. Base support level

The base support level for each school district shall be computed as follows:

1. The following support level weights shall be used in paragraph 2, subdivision (a) for the following school districts:

(a) For school districts whose student count in kindergarten programs and grades one through eight is classified in column 1 of this subdivision, the support level weight for kindergarten programs and grades one through eight is the corresponding support level weight prescribed in column 2 or 3 of this subdivision, whichever is appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
	Support Level Weight For Small Isolated	Support Level Weight For Small
<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
1-99	1.559	1.399
100-499	$1.358 + [0.0005 \times (500 - \text{student count})]$	$1.278 + [0.0003 \times (500 - \text{student count})]$
500-599	$1.158 + [0.002 \times (600 - \text{student count})]$	$1.158 + [0.0012 \times (600 - \text{student count})]$

(b) For school districts whose student count in grades nine through twelve is classified in column 1 of this subdivision, the support level weight for grades nine through twelve is the corresponding support level weight prescribed in column 2 or 3 of this subdivision, whichever is appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
	Support Level Weight For Small Isolated	Support Level Weight For Small
<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
1-99	1.669	1.559
100-499	$1.468 + [0.0005 \times (500 - \text{student count})]$	$1.398 + [0.0004 \times (500 - \text{student count})]$
500-599	$1.268 + [0.002 \times (600 - \text{student count})]$	$1.268 + [0.0013 \times (600 - \text{student count})]$

2. Subject to paragraph 1, determine the weighted student count as follows:

(a)

<u>Grade</u>	<u>Base</u>		<u>Group A</u>		<u>Support Level Weight</u>		<u>Student Count</u>		<u>Weighted Student Count</u>
PSD	1.000	+	0.450	=	1.450	x	_____	=	_____
K-8	1.000	+	0.158	=	1.158	x	_____	=	_____
9-12	1.163	+	0.105	=	1.268	x	_____	=	_____
							Subtotal	A	_____

1	(b)				
2		Support			Weighted
3	Funding	Level	Student		Student
4	<u>Category</u>	<u>Weight</u>	<u>Count</u>		<u>Count</u>
5	HI	4.771	x	=	
6	K, for fiscal year				
7	2006-2007	0.835	x	=	
8	K, for fiscal year				
9	2007-2008 and each				
10	fiscal year thereafter	1.352	x	=	
11	K-3	0.060	x	=	
12	ELL	0.140	x	=	
13	MD-R, A-R and				
14	SMR-R	6.024	x	=	
15	MD-SC, A-SC and				
16	SMR-SC	5.833	x	=	
17	MD-SSI	7.947	x	=	
18	OI-R	3.158	x	=	
19	OI-SC	6.773	x	=	
20	P-SD	3.595	x	=	
21	ED, MIMR, SLD,				
22	SLI and OHI	0.003	x	=	
23	ED-P	4.822	x	=	
24	MOMR	4.421	x	=	
25	VI	4.806	x	=	
26		Subtotal		B	

- 27 (c) Total of subtotals A and B: _____
- 28 3. Multiply the total determined in paragraph 2 by the base level.
- 29 4. Multiply the teacher experience index of the district or 1.00,
- 30 whichever is greater, by the product obtained in paragraph 3.

31 Sec. 12. Section 15-962.01, Arizona Revised Statutes, is amended to

32 read:

33 15-962.01. Capital outlay revenue limit, soft capital

34 allocation and English language acquisition

35 program allocation for joint technological

36 education districts; district soft capital

37 allocation and English language acquisition

38 program allocation funds

39 A. The capital outlay revenue limit for a joint technological

40 education district shall be the amount for students in grades nine through

41 twelve for districts with a student count of six hundred or more as

42 prescribed in section 15-961.

43 B. The soft capital allocation for a joint technological education

44 district shall be the amount for students in grades nine through twelve for

1 districts with a student count of six hundred or more as prescribed in
2 section 15-962.

3 C. Joint technological education districts shall establish a district
4 soft capital allocation fund and shall use the monies only for the purposes
5 prescribed in section 15-962, subsection D. The ending unexpended budget
6 balance in the district's soft capital allocation fund may be used in
7 following fiscal years for short-term capital items. Districts shall provide
8 to the superintendent of public instruction an itemized accounting on forms
9 provided by the department of education that details the expenditures of soft
10 capital allocation monies at each school in the joint technological education
11 district. The superintendent of public instruction shall forward a copy of
12 the report to the school facilities board established by section 15-2001.

13 D. THE ENGLISH LANGUAGE ACQUISITION PROGRAM ALLOCATION FOR A JOINT
14 TECHNOLOGICAL EDUCATION DISTRICT SHALL BE THE AMOUNT FOR STUDENTS IN GRADES
15 NINE THROUGH TWELVE FOR DISTRICTS WITH A STUDENT COUNT OF SIX HUNDRED OR MORE
16 AS PRESCRIBED IN SECTION 15-966.

17 E. JOINT TECHNOLOGICAL EDUCATION DISTRICTS SHALL ESTABLISH A DISTRICT
18 ENGLISH LANGUAGE ACQUISITION PROGRAM ALLOCATION FUND AND SHALL USE THE MONIES
19 ONLY FOR THE PURPOSES PRESCRIBED IN SECTION 15-966.

20 Sec. 13. Heading change

21 The article heading of title 15, chapter 9, article 4, Arizona Revised
22 Statutes, is changed from "PROVISIONS FOR CAPITAL OUTLAY AND CAPITAL LEVY" to
23 "CAPITAL OUTLAY, CAPITAL LEVY AND ENGLISH LANGUAGE ACQUISITION".

24 Sec. 14. Title 15, chapter 9, article 4, Arizona Revised Statutes, is
25 amended by adding section 15-966, to read:

26 15-966. English language acquisition program: funding for
27 children in public schools: definitions

28 A. BEGINNING IN FISCAL YEAR 2008-2009, AN ENGLISH LANGUAGE ACQUISITION
29 PROGRAM IS ESTABLISHED FOR THE PURPOSE OF PROVIDING ENGLISH INSTRUCTION AS
30 REQUIRED BY CHAPTER 7, ARTICLE 3.1 OF THIS TITLE.

31 B. ENGLISH LANGUAGE ACQUISITION PROGRAM FUNDING SHALL BE USED TO
32 PROVIDE INSTRUCTION AND SERVICES, INCLUDING STAFFING, FOR ENGLISH LANGUAGE
33 LEARNER PUPILS AND SHALL BE PRIORITIZED FOR THE FOLLOWING PURPOSES:

34 1. DELIVERY OF BEST PRACTICES, RESEARCH BASED INSTRUCTION, TEACHING
35 STANDARDS, STRATEGIES AND MODELS ADOPTED BY THE STATE BOARD OF EDUCATION FOR
36 PROFICIENCY IN BOTH THE ENGLISH LANGUAGE AND THE ACADEMIC STANDARDS ADOPTED
37 BY THE STATE BOARD OF EDUCATION.

38 2. PROFESSIONAL DEVELOPMENT BY PROVIDERS APPROVED PURSUANT TO SECTION
39 15-756, SUBSECTION A, PARAGRAPH 9 TO ASSIST IN THE DELIVERY OF BEST PRACTICES
40 AND RESEARCH BASED TEACHING STANDARDS AND STRATEGIES.

41 3. PROFESSIONAL DEVELOPMENT AND TRAINING NEEDED TO RECEIVE APPROPRIATE
42 CERTIFICATION OR CERTIFICATION ENDORSEMENTS.

43 4. STRATEGIES TO REDUCE CLASS SIZE OR DECREASE PUPIL TO TEACHER
44 RATIOS.

1 5. PLANS FOR EXTENDED LEARNING OPPORTUNITIES FOR PUPILS.
2 6. TRANSPORTATION PLANS TO ASSIST PUPILS TO ATTEND EXTENDED LEARNING
3 AND COMPENSATORY INSTRUCTION.
4 7. COMPENSATION STRATEGIES FOR TEACHERS OF ENGLISH LANGUAGE LEARNER
5 PUPILS.
6 8. PARENT AND COMMUNITY OUTREACH PROGRAMS.
7 9. BEST PRACTICES AND STRATEGIES FOR COMPENSATORY INSTRUCTION.
8 10. INSTRUCTIONAL MATERIALS AND SUPPLIES NECESSARY FOR ENGLISH LANGUAGE
9 LEARNER PUPILS.
10 C. THE ENGLISH LANGUAGE ACQUISITION PROGRAM ALLOCATION FOR A SCHOOL
11 DISTRICT OR CHARTER SCHOOL IS COMPUTED BY MULTIPLYING THE NUMBER OF ENGLISH
12 LANGUAGE LEARNER PUPILS BY:
13 1. SIX HUNDRED SIXTY-SEVEN DOLLARS IN FISCAL YEAR 2008-2009.
14 2. NINE HUNDRED SEVENTY-EIGHT DOLLARS IN FISCAL YEAR 2009-2010.
15 3. ONE THOUSAND TWO HUNDRED EIGHTY-NINE DOLLARS IN FISCAL YEAR
16 2010-2011.
17 4. IN FISCAL YEAR 2011-2012 AND EACH YEAR THEREAFTER, THE ANNUAL
18 INFLATION ADJUSTMENT PRESCRIBED IN SECTION 15-901.01.
19 D. THE STATE BOARD OF EDUCATION SHALL NOT INCLUDE IN THE AGGREGATE
20 EXPENDITURE OF LOCAL REVENUES AS DETERMINED IN SECTION 15-911 THE AMOUNT OF
21 REVENUES COLLECTED FROM THE ENGLISH LANGUAGE ACQUISITION PROGRAM PURSUANT TO
22 THIS SECTION.
23 E. EACH SCHOOL DISTRICT OR CHARTER SCHOOL SHALL ESTABLISH A DISTRICT
24 OR CHARTER SCHOOL ENGLISH LANGUAGE ACQUISITION PROGRAM FUND AND SHALL USE THE
25 MONIES ONLY FOR THE PURPOSES PRESCRIBED IN SUBSECTION B OF THIS SECTION. THE
26 ENGLISH LANGUAGE ACQUISITION PROGRAM FUND BUDGET LIMIT FOR EACH SCHOOL
27 DISTRICT OR CHARTER SCHOOL IS THE SUM OF:
28 1. THE ALLOCATION THAT IS COMPUTED FOR THE DISTRICT OR CHARTER SCHOOL
29 PURSUANT TO SUBSECTION C OF THIS SECTION.
30 2. THE UNEXPENDED BUDGET BALANCE FROM THE ENGLISH LANGUAGE ACQUISITION
31 PROGRAM FUND FROM THE PRECEDING FISCAL YEAR.
32 3. THE NET INTEREST EARNED ON MONIES IN THE FUND DURING THE PRECEDING
33 FISCAL YEAR.
34 F. FOR THE PURPOSES OF THIS SECTION:
35 1. "COMPENSATORY INSTRUCTION" MEANS ACADEMIC INTERVENTION AND LANGUAGE
36 ACQUISITION SERVICES PROVIDED TO PUPILS, SUBJECT TO PARENTAL CONSENT, THAT
37 ARE INTENDED TO CURE SKILL OR KNOWLEDGE DEFICITS IDENTIFIED PURSUANT TO
38 SECTION 15-756, SUBSECTION A, PARAGRAPH 4 AND INCLUDES:
39 (a) PROGRAMS THAT ARE IN ADDITION TO NORMAL CLASSROOM INSTRUCTION.
40 (b) SMALL GROUP INSTRUCTION, EXTENDED DAY PROGRAMS OR SUMMER SCHOOL
41 AND INTERSESSION CLASSES.
42 2. "ENGLISH LANGUAGE LEARNER PUPILS" MEANS ELL AS DEFINED IN SECTION
43 15-901.

1 Sec. 15. Section 15-971, Arizona Revised Statutes, is amended to read:
2 15-971. Determination of equalization assistance payments from
3 county and state funds for school districts
4 A. Equalization assistance for education is computed by determining
5 the total of the following:
6 1. The lesser of a school district's revenue control limit or district
7 support level as determined in section 15-947 or 15-951.
8 2. The capital outlay revenue limit of a school district as determined
9 in section 15-951 or 15-961.
10 3. The soft capital allocation of a school district as determined in
11 section 15-951 or 15-962.
12 4. THE ENGLISH LANGUAGE ACQUISITION PROGRAM ALLOCATION OF A SCHOOL
13 DISTRICT AS DETERMINED IN SECTION 15-966.
14 B. From the total of the amounts determined in subsection A of this
15 section subtract:
16 1. The amount that would be produced by levying the applicable
17 qualifying tax rate determined pursuant to section 41-1276 for a high school
18 district or a common school district within a high school district which does
19 not offer instruction in high school subjects as provided in section 15-447.
20 2. The amount that would be produced by levying the applicable
21 qualifying tax rate determined pursuant to section 41-1276 for a unified
22 school district, a common school district not within a high school district
23 or a common school district within a high school district which offers
24 instruction in high school subjects as provided in section 15-447. The
25 qualifying tax rate shall be applied in the following manner:
26 (a) For the purposes of the amount determined in subsection A,
27 paragraph 1 of this section:
28 (i) Determine separately the percentage that the weighted student
29 count in preschool programs for children with disabilities, kindergarten
30 programs and grades one through eight and the weighted student count in
31 grades nine through twelve is to the weighted student count determined in
32 subtotal A as provided in section 15-943, paragraph 2, subdivision (a).
33 (ii) Apply the percentages determined in item (i) to the amount
34 determined in subsection A, paragraph 1 of this section.
35 (b) For the purposes of the amounts determined in subsection A,
36 paragraphs 2 and 3 of this section, determine separately the amount of the
37 capital outlay revenue limit and the amount of the soft capital allocation
38 attributable to the student count in preschool programs for children with
39 disabilities, kindergarten programs and grades one through eight and grades
40 nine through twelve.
41 (c) From the amounts determined in subdivisions (a) and (b) subtract
42 the levy which would be produced by the current qualifying tax rate for a
43 high school district or a common school district within a high school
44 district that does not offer instruction in high school subjects as provided
45 in section 15-447. If the qualifying tax rate generates a levy which is in

1 excess of the total determined in subsection A of this section, the school
2 district shall not be eligible for equalization assistance. ~~It~~ **FOR THE**
3 **PURPOSES OF** this subsection, "assessed valuation" includes the values used to
4 determine voluntary contributions collected pursuant to title 9, chapter 4,
5 article 3 and title 48, chapter 1, article 8.

6 3. The amount that would be produced by levying a qualifying tax rate
7 in a joint vocational and technological education district, which shall be
8 five cents per one hundred dollars assessed valuation unless the legislature
9 sets a lower rate by law.

10 4. The amount of government property lease excise tax monies that ~~were~~
11 **WAS** distributed to the district pursuant to section 42-6205 during the
12 preceding fiscal year.

13 C. County aid for equalization assistance for education shall be
14 computed as follows:

15 1. Determine the total equalization assistance for all school
16 districts in the county as provided in subsections A and B of this section.

17 2. Determine the total amount of state equalization assistance
18 collected for all school districts in the county as provided in section
19 15-994.

20 3. Divide the amount determined in paragraph 2 of this subsection by
21 the amount determined in paragraph 1 of this subsection.

22 4. Multiply the amount determined in subsections A and B of this
23 section by the quotient determined in paragraph 3 of this subsection for each
24 school district.

25 5. The amount determined in paragraph 4 of this subsection shall be
26 the county aid for equalization assistance for education for a school
27 district.

28 D. State aid for equalization assistance for education for a school
29 district shall be computed as follows:

30 1. Determine the equalization assistance for education for a school
31 district as provided in subsections A and B of this section.

32 2. For each county, determine the levy that would be produced by the
33 state equalization assistance property tax rate prescribed in section 15-994,
34 subsection A.

35 3. Prorate the amount determined in paragraph 2 of this subsection to
36 each school district in the county as prescribed by subsection C of this
37 section.

38 4. Subtract the amount determined in paragraph 3 of this subsection
39 from the amount determined in paragraph 1 of this subsection.

40 E. Equalization assistance for education shall be paid from
41 appropriations for that purpose to the school districts as provided in
42 section 15-973.

43 F. A school district shall report expenditures on approved career and
44 technical education and vocational education programs in the annual financial
45 report according to uniform guidelines prescribed by the uniform system of

1 financial records and in order to facilitate compliance with sections 15-255
2 and 15-904.

3 G. The additional weight for state aid purposes given to special
4 education as provided in section 15-943 shall be given to school districts
5 only if special education programs comply with ~~the provisions of~~ chapter 7,
6 article 4 of this title and the conditions and standards prescribed by the
7 superintendent of public instruction pursuant to rules of the state board of
8 education for pupil identification and placement pursuant to sections 15-766
9 and 15-767.

10 H. In addition to general fund appropriations, all amounts received
11 pursuant to section 37-521, subsection B, paragraph 3 and section 42-5029,
12 subsection E, paragraph 5 and from any other source for the purposes of this
13 section are appropriated for state aid to schools as provided in this
14 section.

15 I. The total amount of state monies that may be spent in any fiscal
16 year for state equalization assistance shall not exceed the amount
17 appropriated or authorized by section 35-173 for that purpose. This section
18 shall not be construed to impose a duty on an officer, agent or employee of
19 this state to discharge a responsibility or to create any right in a person
20 or group if the discharge or right would require an expenditure of state
21 monies in excess of the expenditure authorized by legislative appropriation
22 for that specific purpose.

23 Sec. 16. Section 15-974, Arizona Revised Statutes, is amended to read:
24 15-974. Equalization assistance for education for accommodation
25 schools; definition

26 A. Equalization assistance for education for accommodation schools
27 shall be computed as follows:

28 1. Determine the total of the lesser of an accommodation school's
29 revenue control limit or district support level as determined in section
30 15-947, an accommodation school's capital outlay revenue limit as determined
31 in section 15-961, ~~and~~ an accommodation school's soft capital allocation as
32 determined in section 15-962 AND AN ACCOMMODATION SCHOOL'S ENGLISH LANGUAGE
33 ACQUISITION PROGRAM ALLOCATION AS DETERMINED IN SECTION 15-966.

34 2. From the amount determined in paragraph 1 ~~of this subsection~~
35 subtract the monies received from P.L. 81-874 for the prior fiscal year if
36 the amount to be received in the current fiscal year is equal to or greater
37 than the amount received in the prior fiscal year. If the amount to be
38 received during the current fiscal year is less than the amount received in
39 the prior fiscal year, the subtraction shall be determined as follows:

40 (a) Subtract the amount to be received in the current fiscal year,
41 adjusting the final payment to reflect actual receipts during the fiscal
42 year.

43 (b) If additional P.L. 81-874 monies are received after the
44 computation of the last payment of state aid but before the end of the fiscal
45 year, the amount received late shall be subtracted from the equalization

1 assistance for the following fiscal year, except that the total amount
 2 reduced pursuant to subdivision (a) ~~of this paragraph~~ and this subdivision
 3 shall not exceed the amount of P.L. 81-874 monies received in the prior year.

4 3. Equalization assistance for an accommodation school shall be the
 5 amount determined in paragraph 2 ~~of this subsection~~.

6 B. Equalization assistance for education for accommodation schools
 7 shall be paid from appropriations for that purpose to the school districts as
 8 provided in section 15-973.

9 C. When an accommodation school has a positive total cash balance at
 10 the end of a fiscal year in its maintenance and operation fund, the county
 11 school superintendent of the county in which the accommodation school is
 12 located may authorize an addition to the accommodation school's revenue
 13 control limit as provided in section 15-947, subsection A for the following
 14 fiscal year. The county school superintendent may not authorize an addition
 15 that exceeds the lesser of the ending cash balance less the amount budgeted
 16 for the budget balance carryforward as provided in section 15-943.01 or ten
 17 per cent of the revenue control limit of the accommodation school. If an
 18 accommodation school has a cash balance in excess of the amount needed to
 19 fund the budget balance carryforward, the addition authorized pursuant to
 20 this subsection and the items listed in section 15-947, subsection C,
 21 paragraph 2, subdivisions (c) and (f) for the following fiscal year, the
 22 remaining cash balance shall be used to reduce the amount of state aid for
 23 equalization assistance for education for the accommodation school as
 24 provided in section 15-971, subsection D for the following year.

25 D. ~~The provisions of~~ Subsection C of this section shall not apply to
 26 an accommodation school with a student count of one hundred twenty-five or
 27 less in kindergarten programs and grades one through eight or to an
 28 accommodation school which offers instruction in grades nine, ten, eleven or
 29 twelve and which has a student count of one hundred or less in grades nine
 30 through twelve.

31 E. For the ~~purpose~~ PURPOSES of this section, "monies received from
 32 P.L. 81-874" means total P.L. 81-874 monies less P.L. 81-874 monies for
 33 children with disabilities, children with specific learning disabilities and
 34 children residing on Indian lands which are in addition to the basic
 35 assistance as provided in 20 United States Code section 238, subsection (d),
 36 paragraph 2, clauses (C) and (D).

37 Sec. 17. Section 15-996, Arizona Revised Statutes, is amended to read:

38 15-996. Duties of county treasurer relating to school
 39 district's monies

40 The county treasurer shall:

41 1. Receive and hold all school district monies and keep a separate
 42 account for each school district and for the special county school reserve
 43 fund. The county treasurer may maintain separate accounts for each fund of a
 44 school district or the county treasurer may maintain only two accounts for
 45 each school district's monies in addition to the funds provided for in

1 sections 15-1024, 15-1025, ~~15-2021~~, 15-2031 and 15-2041. If only two
2 accounts are maintained, the first account shall consist of maintenance and
3 operation, unrestricted capital outlay, soft capital allocation, **ENGLISH**
4 **LANGUAGE ACQUISITION PROGRAM ALLOCATION** and adjacent ways monies and the
5 classroom site fund prescribed in section 15-977 and the second account shall
6 consist of federal and state grant monies and all other monies.

7 2. Pool school district monies for investment except as provided in
8 sections 15-1024 and 15-1025. Interest earned on the monies pooled for
9 investment shall be apportioned at least quarterly to the appropriate school
10 district based on an average monthly balance as prescribed in the uniform
11 system of accounting for county treasurers as provided in section 41-1279.21.

12 3. Notwithstanding section 11-605, register warrants only as follows:

13 (a) If separate accounts are maintained for each fund, warrants may
14 only be registered on the maintenance and operation, unrestricted capital
15 outlay, soft capital allocation, **ENGLISH LANGUAGE ACQUISITION PROGRAM**
16 **ALLOCATION** and adjacent ways accounts and the classroom site fund prescribed
17 in section 15-977 and only if the total cash balance of all three accounts is
18 insufficient to pay the warrants, except that, during the period of time when
19 a school district is under receivership pursuant to section 15-103, a warrant
20 may be registered on the debt service account for which the cash balance in
21 the debt service account is insufficient to cover the debt service payment if
22 there are not sufficient monies in the debt service account to cover the
23 debt.

24 (b) If the county treasurer maintains only two accounts as provided in
25 paragraph 1 of this section:

26 (i) The county treasurer may register warrants only on the first
27 account and only if the balance of that account is insufficient to pay the
28 warrants.

29 (ii) The county treasurer may honor warrants for any federal or state
30 grant fund with a negative balance as long as the total balance in the second
31 account is positive. If the second account total balance is negative, the
32 warrant for a federal or state grant fund shall be charged to the maintenance
33 and operation fund. Any interest charged to the federal or state grant fund
34 as a result of a negative balance that is in excess of interest earned on the
35 fund shall be transferred to the maintenance and operation fund at the end of
36 the fiscal year or the end of the grant year. If a federal or state grant
37 fund has a negative balance at the end of the fiscal year or grant year,
38 sufficient expenditures shall be transferred to the maintenance and operation
39 fund to eliminate the negative balance.

40 4. Notify the county school superintendent by the fifteenth day of
41 each calendar month of the month end balances of each school district
42 account.

43 5. Pay warrants issued by the county school superintendent and duly
44 endorsed by the person entitled to receive the monies.

6. On each property tax bill and each property tax statement prepared, separately state and identify by name each school district's primary property tax rate, the secondary property tax rate that is associated with overrides, the secondary property tax rate that is associated with class A bonds and the secondary property tax rate that is associated with class B bonds. For the purposes of this paragraph, "class A bonds" and "class B bonds" have the same meanings prescribed in section 15-101.

Sec. 18. Section 41-1279.03, Arizona Revised Statutes, is amended to read:

41-1279.03. Powers and duties

A. The auditor general shall:

1. Prepare an audit plan for approval by the committee and report to the committee the results of each audit and investigation and other reviews conducted by the auditor general.

2. Conduct or cause to be conducted at least biennial financial and compliance audits of financial transactions and accounts kept by or for all state agencies subject to the single audit act of 1984 (P.L. 98-502). The audits shall be conducted in accordance with generally accepted governmental auditing standards and accordingly shall include tests of the accounting records and other auditing procedures as may be considered necessary in the circumstances. The audits shall include the issuance of suitable reports as required by the single audit act of 1984 (P.L. 98-502) so the legislature, federal government and others will be informed as to the adequacy of financial statements of the state in compliance with generally accepted governmental accounting principles and to determine whether the state has complied with laws and regulations that may have a material effect on the financial statements and on major federal assistance programs.

3. Perform procedural reviews for all state agencies at times determined by the auditor general. These reviews may include evaluation of administrative and accounting internal controls and reports on such reviews.

4. Perform special research requests, special audits and related assignments as designated by the committee and conduct performance audits, special audits, special research requests and investigations of any state agency, whether created by the constitution or otherwise, as may be requested by the committee.

5. Annually on or before the fourth Monday of December, prepare a written report to the governor and to the committee which contains a summary of activities for the previous fiscal year.

6. In the tenth year and in each fifth year thereafter in which a transportation excise tax is in effect in a county as provided in section 42-6104, 42-6106 or 42-6107, conduct a performance audit that:

(a) Reviews past expenditures and future planned expenditures of the transportation excise revenues and determines the impact of the expenditures in solving transportation problems within the county and, for a transportation excise tax in effect in a county as provided in section

1 42-6107, determines whether the expenditures of the transportation excise
2 revenues comply with section 28-6392, subsection B.

3 (b) Reviews projects completed to date and projects to be completed
4 during the remaining years in which a transportation excise tax is in effect.
5 Within six months after each review period the auditor general shall present
6 a report to the speaker of the house of representatives and the president of
7 the senate detailing findings and making recommendations. If the parameters
8 of the performance audit are set by the citizens transportation oversight
9 committee, the auditor general shall also present the report to the citizens
10 transportation oversight committee.

11 (c) Reviews, determines, reports and makes recommendations to the
12 speaker of the house of representatives and the president of the senate
13 whether the distribution of highway user revenues complies with title 28,
14 chapter 18, article 2. If the parameters of the performance audit are set by
15 the citizens transportation oversight committee, the auditor general shall
16 also present the report to the citizens transportation oversight committee.

17 7. If requested by the committee, conduct performance audits of
18 counties and incorporated cities and towns receiving highway user revenue
19 fund monies pursuant to title 28, chapter 18, article 2 to determine if the
20 monies are being spent as provided in section 28-6533, subsection B.

21 8. Perform special audits designated pursuant to law if the auditor
22 general determines that there are adequate monies appropriated for the
23 auditor general to complete the audit. If the auditor general determines the
24 appropriated monies are inadequate, the auditor general shall notify the
25 committee.

26 9. ~~Beginning on July 1, 2001,~~ Establish a school-wide audit team in
27 the office of the auditor general to conduct performance audits and monitor
28 school districts to determine the percentage of every dollar spent in the
29 classroom by a school district ~~AND TO DETERMINE WHETHER SCHOOL DISTRICTS AND~~
30 ~~CHARTER SCHOOLS ARE IN COMPLIANCE WITH SECTION 15-966. The performance~~
31 ~~audits shall determine whether school districts that receive monies from the~~
32 ~~Arizona structured English immersion fund established by section 15-756.04~~
33 ~~and the statewide compensatory instruction fund established by section~~
34 ~~15-756.11 are in compliance with title 15, chapter 7, article 3.1. The~~
35 auditor general shall determine, through random selection, the school
36 districts to be audited each year, subject to review by the joint legislative
37 audit committee. A school district that is subject to an audit pursuant to
38 this paragraph shall notify the auditor general in writing as to whether the
39 school district agrees or disagrees with the findings and recommendations of
40 the audit and whether the school district will implement the findings and
41 recommendations, implement modifications to the findings and recommendations
42 or refuse to implement the findings and recommendations. The school district
43 shall submit to the auditor general a written status report on the
44 implementation of the audit findings and recommendations every six months for
45 two years after an audit conducted pursuant to this paragraph. The auditor

1 general shall review the school district's progress toward implementing the
 2 findings and recommendations of the audit every six months after receipt of
 3 the district's status report for two years. The auditor general may review a
 4 school district's progress beyond this two-year period for recommendations
 5 that have not yet been implemented by the school district. The auditor
 6 general shall provide a status report of these reviews to the joint
 7 legislative audit committee. The school district shall participate in any
 8 hearing scheduled during this review period by the joint legislative audit
 9 committee or by any other legislative committee designated by the joint
 10 legislative audit committee.

11 **10. PRESCRIBE A BUDGET FORMAT FOR USE BY SCHOOL DISTRICTS AND CHARTER**
 12 **SCHOOLS IN THE REPORTING REQUIREMENTS PRESCRIBED IN SECTION 15-756.02,**
 13 **SUBSECTION B, PARAGRAPHS 8 AND 9.**

14 B. The auditor general may:

15 1. Subject to approval by the committee, adopt rules necessary to
 16 administer the duties of the office.

17 2. Hire consultants to conduct the studies required by subsection A,
 18 paragraphs 6 and 7 of this section.

19 C. If approved by the committee the auditor general may charge a
 20 reasonable fee for the cost of performing audits or providing accounting
 21 services for auditing federal funds, special audits or special services
 22 requested by political subdivisions of the state. Monies collected pursuant
 23 to this subsection shall be deposited in the audit services revolving fund.

24 D. The department of transportation, the board of supervisors of a
 25 county that has approved a county transportation excise tax as provided in
 26 section 42-6104, 42-6106 or 42-6107 and the governing bodies of counties,
 27 cities and towns receiving highway user revenue fund monies shall cooperate
 28 with and provide necessary information to the auditor general or the auditor
 29 general's consultant.

30 E. The department of transportation shall reimburse the auditor
 31 general as follows, and the auditor general shall deposit the reimbursed
 32 monies in the audit services revolving fund:

33 1. For the cost of conducting the studies or hiring a consultant to
 34 conduct the studies required by subsection A, paragraph 6, subdivisions (a)
 35 and (b) of this section, from monies collected pursuant to a county
 36 transportation excise tax levied pursuant to section 42-6104, 42-6106 or
 37 42-6107.

38 2. For the cost of conducting the studies or hiring a consultant
 39 pursuant to subsection A, paragraph 6, subdivision (c) and paragraph 7 of
 40 this section, from the Arizona highway user revenue fund.

41 **Sec. 19. Appropriation; state board of education; exemption**

42 A. The sum of \$1,000,000 is appropriated from the state general fund
 43 in fiscal year 2008-2009 to the state board of education to employ additional
 44 research staff, to employ contracted third parties to develop best practices
 45 models and strategies as provided by section 15-756, Arizona Revised

1 Statutes, as added by this act, or for other duties as prescribed by this
2 act.

3 B. The appropriation made in subsection A of this section is exempt
4 from the provisions of section 35-190, Arizona Revised Statutes, relating to
5 lapsing of appropriations.

6 Sec. 20. Appropriation; department of education; monitoring;
7 exemption

8 A. The sum of \$1,155,000 is appropriated from the state general fund
9 in fiscal year 2008-2009 to the department of education for the purposes
10 prescribed in section 15-756.02, Arizona Revised Statutes, as added by this
11 act.

12 B. The appropriation made in subsection A of this section is exempt
13 from the provisions of section 35-190, Arizona Revised Statutes, relating to
14 lapsing of appropriations.

15 Sec. 21. Appropriation; auditor general; exemption

16 A. The sum of \$2,500,000 is appropriated from the state general fund
17 in fiscal year 2008-2009 to the auditor general for the purposes prescribed
18 in section 42-1279.03, Arizona Revised Statutes, as amended by this act.

19 B. The appropriation made in subsection A of this section is exempt
20 from the provisions of section 35-190, Arizona Revised Statutes, relating to
21 lapsing of appropriations.

22 Sec. 22. Appropriation; ELL support level weight

23 The sum of \$13,500,000 is appropriated from the state general fund to
24 the department of education in fiscal year 2008-2009 for distribution to
25 schools and charter schools for the increased support level weight for pupils
26 that qualify for the ELL funding category as prescribed in section 15-943,
27 Arizona Revised Statutes, as amended by section 10 of this act.

28 Sec. 23. State board of education deadline for adopting best
29 practices models and strategies

30 The state board of education shall adopt best practices models and
31 strategies pursuant to section 15-756, Arizona Revised Statutes, as added by
32 this act, on or before August 15, 2008.

33 Sec. 24. Effective date

34 Section 15-943, Arizona Revised Statutes, as amended by section 11 of
35 this act, is effective from and after June 30, 2009.